

Resounding 'No' Puts Quebec on Separatist Path

By Charles Trueheart

OTTAWA — Shaken by the massive repudiation of their constitutional deal-making, Canada's political leaders on Tuesday warily assessed a newly volatile electorate and a restive Quebec once more in the throes of separatist fervor.

Final returns in the national referendum Monday left little room for comfort or misunderstanding: Voters in mostly French-speaking Quebec and five other provinces rejected the proposed constitutional plan by wide margins, and returns in populous Ontario showed a "yes" plurality of only two-tenths of a percentage point, a moral victory for the "no" forces.

Overall, Canadians rejected the plan by 54.4 percent to 42.4 percent. Heartened by the result, separatists in Quebec were looking forward to 1994 provincial elections as a plebiscite on forming a separate nation.

In that test, the separatist forces led by Jacques Parizeau, leader of the Parti Québécois, will challenge the moderate approach of Premier Jacques Bourassa.

Quebec may have repudiated Mr. Bourassa's perceived concessions in the negotiations that produced the reform proposal, but he and his Liberal Party remain popular among both English and French Canadians in the province.

Only a one-third minority of Quebecers describe themselves as poll-takers as outright separatists, so Mr. Bourassa's strategy could be to marginalize Mr. Parizeau and his party.

Analysts said Mr. Bourassa, who can sound like a Quebec nationalist or a federalist

See CANADA, Page 4



With the Quebec flag providing a backdrop, opponents of the constitutional accord celebrated the "no" vote victory in Montreal.

Even Gloomier Outlook For German Economy

Paris and London Get Bad News, Too

By Brandon Mitchener

FRANKFURT — Just days after the German government scaled back its expectations for 1993 growth, Germany's five leading economic research institutes presented an even more pessimistic outlook Tuesday, one that was immediately attacked for being too rosy.

The forecasts, each more unsettling than the one before it, depict a quickly deteriorating German economy, analysts said, and shed a less than favorable light on Chancellor Helmut Kohl's proposal to raise taxes in such an environment.

In a joint autumn report, the Berlin, Munich, Hamburg, Essen and Kiel research centers predicted that West German economic growth would slow to 0.5 percent next year from just 1

percent this year. East Germany's economy was seen expanding by 7 percent, up from 5.5 percent this year.

Unemployment was said likely to swell to 2.05 million in Western Germany and 1.24 million in Eastern Germany, from just under a combined figure of 3 million this year.

Inflation in Western Germany was forecast at 4 percent in 1993, up from 3.5 percent this year, while the figure for Eastern Germany was expected to rise to 11 percent from 8.5 percent.

Germany was not alone Tuesday in receiving a dismal economic prognosis. In France, the Economic and Social Council, which groups business and union representatives, said that the government's forecasts were unduly optimistic. And in London, the leading employers group said industry was still deeply depressed about economic prospects.

In Munich, Karl Heinrich Oppenlander, head of the Ifo institute, said the situation was likely to get worse before it got better. Before it can change, foreign demand must grow, German wages fall, monetary policy ease and fiscal policy tighten, he said. This is not likely to happen before the middle of next year.

The institutes' forecast was considerably more gloomy than that recently presented by the federal government and shared by many big German banks. Only last weekend, the Economics Ministry said it expected Western Germany's gross domestic product to expand as much as 1.5 percent next year.

Robin Marshall, chief economist at Chase Manhattan Bank in London, said markets were beginning to conclude that official German forecasts had lost their credibility.

"The forecasting has almost become a political exercise in which they cook the numbers to err on the side of optimism," he said.

Though its numerical predictions differ sharply from his own, Finance Minister Theo Waigel of Germany embraced the institutes' call for greater fiscal responsibility. The institutes predicted that public spending would fall to 5.5 percent in 1993 from 10 percent in 1992.

Responding to Mr. Kohl's proposal to raise taxes to pay off East German debt, Mr. Waigel said taxes only come into consideration "when all possibilities of savings on the spending side of public budgets are exhausted."

Analysts noted that Germany's export-driven economy was finding no relief from major trading partners. Mr. Marshall compared Germany, the United States and Japan to three locomotives which are "all stalled at the same time."

The German Association of Chambers of Commerce meanwhile, questioned the research institutes' comforting conclusion that the German economy still had a stable foundation. The report avoided use of the word "recession," although a growing number of economists, including many employed by the institutes, are convinced it is appropriate.

Global Banking and Securities Markets Are Yesterday's Trend After years of insisting that world integration of markets was the wave of the future, the financial industry has backed off that idea, and the emphasis is increasingly on local markets, financial regulators from 59 nations were told at a conference in London.

Angst in the Boardrooms GM Upheaval Raises Warning Flags About Growing Shareholder Clout

By Kathleen Day

WASHINGTON — Robert C. Stempel's forced resignation as head of General Motors Corp. demonstrates that the past year's upsurge over excessive executive pay has evolved into a broader battle over who runs America's largest companies.

The dismissal underscores the growing demand by shareholders — the owners of companies — that boards of directors keep a firmer rein on top executives.

Managers can no longer count on boards to rubber-stamp their decisions, let alone guarantee their jobs, with their multimillion-dollar pay packages, according to executives, shareholders groups and other experts on corporate affairs.

"When the chairman of the largest industrial company in the world gets fired for nonperformance, that reverberates through every executive suite in the country," said Ned Regan, trustee of the New York State Common Retirement Fund, the nation's second-largest public pension fund.

The fund owns large stakes in GM and other major corporations, and has been active in pressuring boards to do a better job of overseeing management.

"The issue over executive pay was a red herring," he said. "The issue is how executives are performing."

The dramatic events at GM are likely to give momentum to similar campaigns by large share-

U.S. Growth Shows a Burst Of Strength

By Lawrence Malkin

NEW YORK — The U.S. government reported Tuesday that there had been an unexpected burst of economic growth during the summer, encouraging President George Bush as the election nears. But economists doubted the growth would pick up momentum, and a report of deepening pessimism among consumers supported them.

In the third quarter, the U.S. gross domestic product rose at an annual rate of 2.7 percent, almost doubling the 1.5 percent rate recorded in the spring. Inflation sank to 2.1 percent, but the principal push came from consumers dipping into their savings to spend while manufacturers stocked more goods, a situation unlikely to continue unless more Americans find jobs.

Consumers themselves thought this unlikely. Their confidence in the economic future, as measured by the Conference Board's monthly survey, slipped in October for the fourth successive month, falling to 53.0 percent from 57.3 percent the prior month. The research group reported that "the availability of jobs, both present and anticipated, represents the consumer's major concern."

Nevertheless, Mr. Bush saw the economic glass half-full instead of half-empty. In the latest quarter, the GDP recouped its losses from the recession but now stands only at the same output level of early 1990. Mr. Bush predicted that the economy would keep expanding, and said at an Iowa campaign forum: "We now have six straight quarters of growth in the United States, and yet the Democrats keep telling us things are going to hell, and they're wrong."

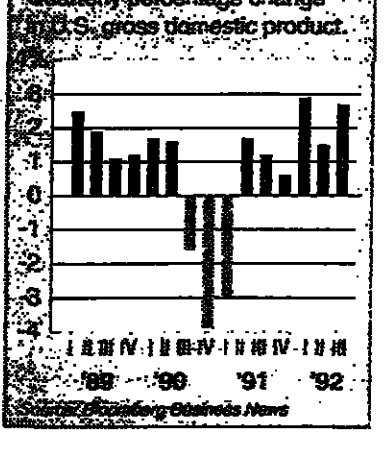
Financial markets were less confident. The Dow Jones industrial average barely moved during the morning and was down 8.38 points at the close. The dollar gave up early gains, holding strength mainly from the realization that the improvement in the figures would make it harder for the Federal Reserve to lower interest rates.

Only Treasury bonds rallied strongly, and that rally took place because, on close examination, traders discovered enough signs of economic weakness to allay fears of a revival strong enough to force the Fed to reverse course and raise rates.

Moreover, the first sign of good news

See GROWTH, Page 12

GDP Picks Up



The Details on How Presidential Trio Dodges Issues

By David E. Rosenbaum

WASHINGTON — At the beginning of the presidential debate last Monday night, with 90 million Americans looking on, Bill Clinton was asked a straightforward question: How can voters believe that he can pay for all his campaign promises so painlessly?

It was an appropriate question. The Democratic presidential nominee promises to create jobs, reduce the budget deficit, cut taxes of the middle class, reform welfare, provide universal medical insurance, guarantee college education for everyone qualified and spend \$20

billion a year more on new public works projects. To pay for all that, he proposes little beyond higher taxes on the very wealthy and foreign

corporations and modest additional cuts in military spending.

But it also was a question Mr. Clinton has fielded time and again this year before smaller audiences. So in the debate, he shifted into his familiar cruising gear. He responded that middle-class Americans were overtaxed. He decried "trickle-down" and "tax-and-spend" econom-

ics. He said the country could "increase investment and reduce the deficit at the same time." Once again, he did not answer the question.

Throughout the campaign, Mr. Clinton, President George Bush and Ross Perot have ducked a variety of questions — or managed to avoid discussing certain difficult topics altogether. The matter of how they would pay for their campaign promises is foremost. But they have also dodged such issues as urban decay, homelessness and bank failures.

Mr. Bush is no more precise about how the country could afford the pinata filled with the tax cuts he favors: an across-the-board reduction by one percentage point in tax rates, in-

creased personal exemptions for families with children, credits and deductions to help families pay for medical insurance, a cut in the capital gains tax rate, new tax breaks for investments in plants, machinery and real estate, tax credits for first-time home buyers, more generous tax treatment of individual retirement accounts, lower small-business taxes and write-offs for businesses that give workers time off in family emergencies.

All together, these tax measures could cost the government \$250 billion or more in lost revenue over the next five years.

Mr. Perot has made deficit reduction the

See ISSUES, Page 2

Kiosk

Bush Signs Bill Opening JFK Files

WASHINGTON (AP) — President George Bush on Tuesday signed into law a bill to open government files on the assassination of President John F. Kennedy.

The legislation sets down guidelines for Congress, agencies such as the Central Intelligence Agency and the FBI, and presidential libraries and other government research centers to release a voluminous amount of classified material on the 1963 assassination in Dallas. The material ranges from secret intelligence reports to news clippings and tax returns.

One exception written into the law is the file of photographs and X-rays taken during an autopsy the night of the assassination.

Table with 2 columns: Dow Jones (Down 8.38, 3,235.73) and Trib Index (Up 0.68%, 27.74)

A Better Back Page

With today's issue the Trib inaugurates a new design that adds several popular features to the Back Page.

Now the crossword puzzle, the weather forecast and the book review will be found there, as well as the other favorites in this favorite package.



ON GUARD — Israeli soldiers loading their weapons Tuesday as hostilities mounted in southern Lebanon. Page 4.

Yeltsin Bans 'Destabilizing' Rightist Group

By Michael Dobbs

MOSCOW — Flexing his muscles for a trial of strength with the Russian parliament, President Boris N. Yeltsin ordered a ban Tuesday on a nationalist opposition movement that has pledged to use all means available to remove him from office.

Addressing senior Russian diplomats, Mr. Yeltsin accused the opposition movement, the National Salvation Front, an umbrella group made up of militant nationalists and unrepentant Communists, of "destabilizing society" and calling for "the overthrow of legally constituted authorities."

"There is a terrible danger," Mr. Yeltsin said. "But in the West, they don't yet understand this." Mr. Yeltsin has come under increasing pressure from conservatives to abandon his market-oriented economic reforms and adopt a more confrontational approach to the West.

The ban on the National Salvation Front, which held its inaugural congress last weekend under the protection of paramilitary guards in black uniforms, reflects the general nervousness here in advance of the winter session of parliament, the Congress of People's Deputies. Mr. Yeltsin can count on the unconditional support of only 25 percent of the 1,050 legislators and needs to forge an alliance with other groups in order to carry out his policies.

He used the meeting at the Foreign Ministry to express his support for acting Prime Minister Yegor T. Gaidar and Foreign Minister Andrei V. Kozyrev, both of whom have come under strong attack from the conservatives. At the same time, Mr. Yeltsin moved to preempt some of the conservative criticism by calling on the ministry to be more forthright in promoting Russia's national interests, even if they diverged from those of the West.

"Russia is a great power, which is simply having temporary difficulties," Mr. Yeltsin said.

The Kremlin, he added, "should express its

See YELTSIN, Page 2

Wider Smoking Restrictions Set French Nerves on Edge

By Jacques Neher

PARIS — The French liberty to eat, work and relax in a cloud of smoke is about to be snuffed out, but it apparently will not go easily.

Smokers — and some nonsmokers — assert that the national anti-tobacco law that goes into effect Sunday will restrain personal freedom, will be costly to apply and enforce and will cause a civic hostility as nonsmokers demand their rights not to have people smoke in their presence.

And the police, charged with enforcing the law, say they will not. So far, the police say they have not received instructions about enforcement.

"This law is rather a call on people's civic spirit," said Nathalie Notter, a spokesman for the National Police. "Can you imagine, in France, the police responding to

someone complaining that the guy at the next table of his restaurant is smoking," she asked. "I think we have other things to do."

But the law provides for fines of up to 1,500 francs (\$250) for individuals lighting up in areas reserved for nonsmokers, and penalties of up to 6,000 francs for businesses found in violation of the law.

The measure, announced as a government decree in May, bans smoking in all enclosed public places, heavily restricts smoking on the job and requires restaurants, cafes and even bars to provide nonsmoking sections and install adequate ventilation equipment.

"This is fascism, not democracy," said Rachel Ramit, as she and several hundred noncooperatives smoked during intermission at the Salle Pleyel last weekend.

The prestigious Paris concert hall distributed leaflets in-

forming patrons that smoking will be banned beyond the box office as of Nov. 1.

The decree is seen as something of a revolution in a country where 40 percent of the adult population and 30 percent of adolescents smoke.

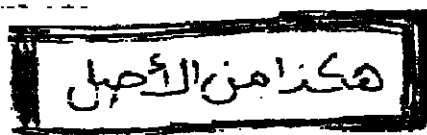
The French press, silent on the subject since last spring, has suddenly given voice to critics who say the law will start a war between those who smoke and those who do not.

But Philippe Boucher, director of the National Anti-Smoking Committee says such criticism is off the mark.

"A conflict has always existed," Mr. Boucher said. "The difference is that now nonsmokers have a right — and will dare — to complain."

Most businesses surveyed last week indicated that they were still trying to figure out how to apply the law, which is flexible

See SMOKE, Page 4



CAMPAIGN '92 / BUSH PREDICTS VICTORY

★ ELECTION NOTES ★

1992 Campaign Advertising at Record High

WASHINGTON — Led by Ross Perot, the presidential candidates are engaged in the costliest advertising blitz of any general election campaign. Already, they have poured more than \$40 million into network television alone, and they expect to spend millions more by Election Day next Tuesday. That figure represents only a portion of the spending on broadcast commercials, because the campaigns are also spending large amounts in local markets and on radio stations.

The surge in advertising budgets is driven in large part by Mr. Perot, who is spending far more than any previous independent candidate. In the first two weeks of this month, after he got back in the race, Mr. Perot dipped into his personal fortune, spending \$26 million, almost exclusively on ads, including network, radio and local television. That was more than double what either George Bush or Bill Clinton had spent, according to the Federal Election Commission. In Dallas this week, the Perot campaign unveiled nine new commercials, a departure in that they feature the candidate himself instead of a rolling text.

Bush Relents on Some — Not All — of Press

DES MOINES, Iowa — Mr. Bush eased his attack on news organizations Tuesday, offering a dispensation for camera crews and photographers who have been abused and yelled at by angry campaign crowds.

At a campaign rally, he again displayed his favorite bumper sticker: "Annoy the Media. Re-elect Bush." It was greeted with cheers from the audience.

However, Mr. Bush went on to tell the crowd: "The problem is there is so much understanding of this that some people are taking it out on those who they should not take it out on, like the photographers with us today, these guys that struggle around carrying these boom mikes and the cameras."

"So put them down as good guys and leave the traveling press alone," he instructed. "But I hope you share my view about all these talking heads that come on the national television and tell us how bad everything is and that we don't have a chance to win. They don't understand."

Attacks on the media have become a standard part of Bush speeches. Photographers, in particular, have complained that crowds have been directing anger at them.

Quote/Unquote

Mr. Bush, asked Tuesday if he liked Bill Clinton: "Yeah, and I think he likes me. We've had a pleasant relationship. Look, I don't want to say anything nice about the guy, I think I'm better for president. I think I've got a good record."

Away From the Hustings

Geologists said they believe a major earthquake will hit a sparsely populated part of central California in the next few weeks or months after a series of minor tremors rumbled through the area.

The Office of Personnel Management building near the White House was named the Theodore Roosevelt Federal Building in honor of the president who championed the career civil service.

A 29-year-old District of Columbia man was shot and killed early Monday in a car parked just south of the Old Executive Office Building near the White House. Homicide detectives and Secret Service agents at the scene of the killing, on a heavily guarded street, said they could not remember another slaying so close to the president's home.

More than 1,700 Asian-Americans and 70 Hispanics filed claims against various government authorities, seeking millions in damages over the handling of the Los Angeles riots. The claims, mostly from people whose businesses were burned, damaged or looted in the three days of rioting that began on April 29, were lodged with the Los Angeles city clerk on the deadline day for such claims.

Scientists said that a new, pest-resistant, hairy potato could put food on the table of millions of needy people after it is introduced to cultivation in dozens of countries next year. A sticky substance secreted by the hairs growing on the stem and leaves of the potato kills smaller insects as they feed, and damages the reproductive systems of a larger potato pest, the Colorado beetle.

The crime rate varied little in 1991 from the previous year, a Justice Department report said Monday. Serious violent crimes — rape, robbery and aggravated assaults — were essentially unchanged in 1991 from 1990, the bureau said.

A new survey indicates that American teenagers are more concerned about AIDS than any other issue, but say the economy should be the determining factor in selecting a president.

Reuters, WP, AP, AP, UPI

'Ornery' Georgian Stumbles in Race Billed as a Sprint

By William Booth

Washington Post Service

MARIETTA, Georgia — They'll call it the Great White North, a publican pollster's dream, a swirl of affluent suburbs as far as the eye can see, a Lexus in every driveway and a Lean Cuisine in every microwave.

The newly created congressional district northwest of downtown Atlanta was considered by insiders a 50-50 for any Republican with a leg. Then Newt Gingrich decided to run. And things suddenly got interesting.

The Republican whip, the party politician whom Democrats hate to hate, is locked in a nasty race against a Democrat challenger, Tony Center, a matriculate attorney and political neophyte who had fast how to play handball, using Mr. Gingrich's recent abandonment of his children.

Under normal circumstances, a district would elect a Republican congressman without a fight. "But because he has moved here and because he is Newt, there is a fight," Mr. Gingrich is widely viewed by those here as tough, ornery and, to be degree, obnoxious.

The question of the hour is whether the more moderate, more well-read and better educated voters in his new district want a tough, ornery congressman.

"Is he perfect? Clearly not," he goes on to confess that Mr. Gingrich has made mistakes and learned his lessons.

His primary race against a representative, Herman H. Gingrich was bruised by that stressed his congressional nature, his use of political action committee money, his 22 overtime checks at the House Bank his Emousine and driver, Mr. Gingrich gave up the car and driver after the primary.

Mr. Center's ads featured a song, a tune of "Old MacDonald," dwelled upon the Gingrich

perks and painted a picture of a Washington insider who talked tough but enjoyed the high life.

Mr. Gingrich defeated Mr. Clark in the July primary by 580 votes. Indeed, Mr. Gingrich seems to have taken political brinkmanship to new levels. He won his 1990 election by 974 votes, out of 156,000 cast.

And now, an unknown Democrat who has spent \$130,000 is within striking distance of an incumbent with \$1.5 million to spend.

"I think it's a close, close race," said Merle Black, professor of political science at Emory University and an authority on Southern politics.

Recent polls by his opponent show Mr. Gingrich with 42 percent and Mr. Center with 37 percent — a statistical dead heat because of the poll's margin of error. Mr. Gingrich's polls, however, show him with a 14-point lead.

After 14 years in the House, Mr. Gingrich moved from his old 2d District southeast of Atlanta to the 6th District here. He made his move when the state's Democratic legislature vaporized his old district, leaving Mr. Gingrich with the choice of running against a Democratic incumbent or striking north to the new, open-seat district.

While 98 percent of voters know his name, Mr. Gingrich says people in his new district don't know the real Newt, the Newt who works for them, not just the Newt who beats up leftists and liberal Teddy Kennedy Democrats.

After Mr. Gingrich charged that Mr. Center had attempted to garnish his attorney's fees from child-support payments he won for a child, Mr. Center returned fire with radio ads accusing Mr. Gingrich of leaving his former wife and children "penniless" and delivering divorce papers to his former wife "the day after her cancer operation."

"They think I'm evil, and so if I'm evil anything they do must be O.K.," Mr. Gingrich said. "Well, we'll see."

Perot Takes Aim at Clinton, and President Sees 'Sea Change'

By Paul F. Horvitz

International Herald Tribune

WASHINGTON — With just a week before the election, the embarrased campaign of Ross Perot attacked Governor Bill Clinton on Tuesday, and President George Bush expressed confidence that he would ride a "sea change" to victory.

While their candidates remained out of sight, members of the Perot camp rebuked the Arkansas governor for his youthful protests of the Vietnam War and implied that he may have tried to lure two Perot electors in North Carolina into the Clinton camp.

Electors ultimately cast the crucial votes in Electoral College, where 270 votes are needed to win the presidency.

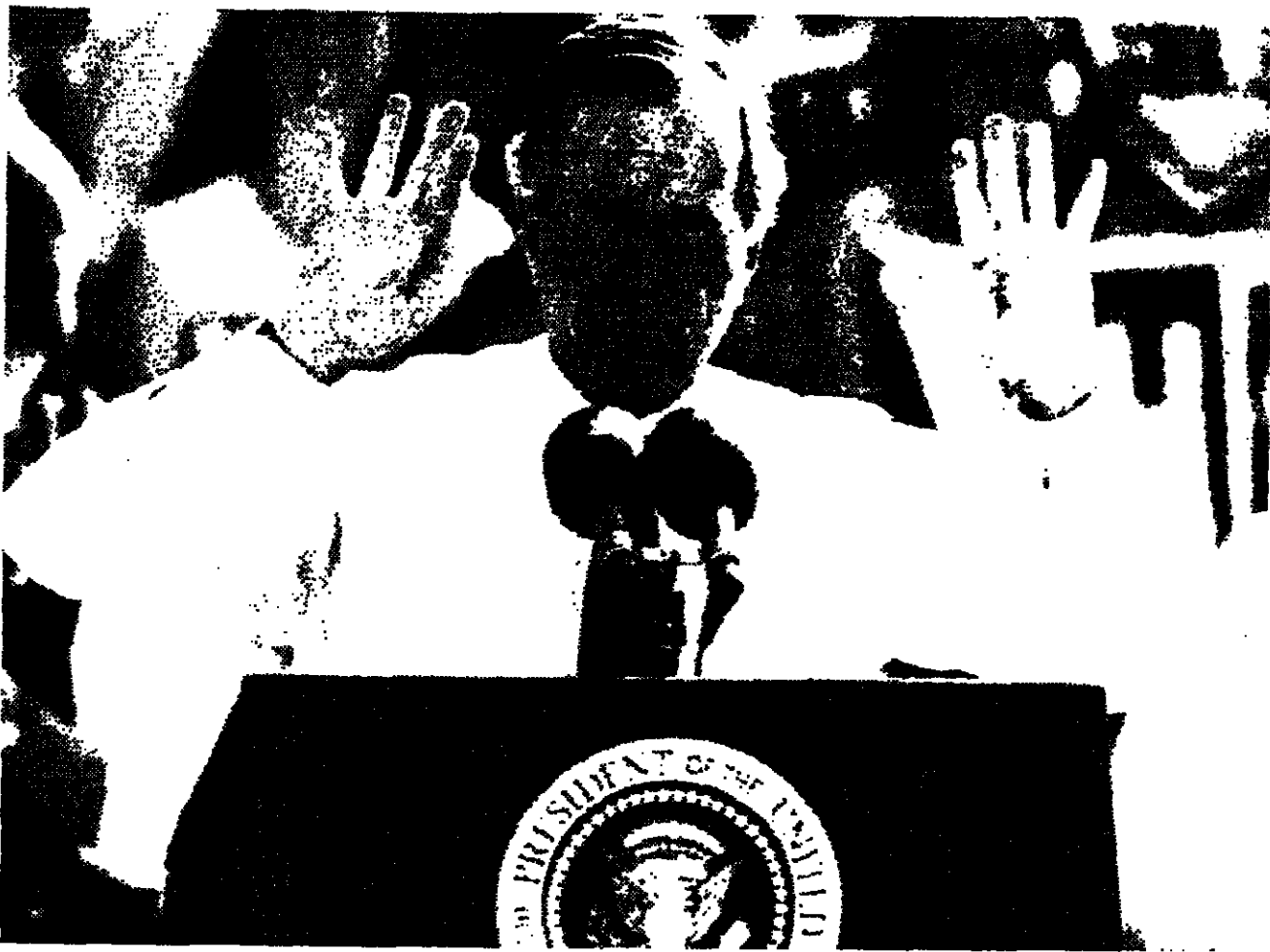
Mr. Bush appeared feisty and engaged in an interview on NBC, saying: "All I know is, there's a sea change in the country, and I feel it." His aides continue to assert that eleventh-hour momentum is with the Republicans.

The freshest nationwide polls, one for ABC News and one for CNN taken over the weekend, showed Mr. Bush 11 points behind Mr. Clinton, with Mr. Perot well back at 19 percent.

The president also characterized "a little bizarre" and "most unusual" Mr. Perot's expenditure of tens of millions of dollars in his personal fortune on campaign ads.

Aides to Mr. Perot, meanwhile, sought to end the controversy swirling around his assertions that the Bush campaign may have planned to discredit a Perot daughter, disrupt her August wedding and tap his office phones in Dallas.

But the president seemed to keep the controversy alive when he told a television interviewer Tuesday morning that the incident was "crazy" and "strange, strange." Mr. Bush had characterized Mr. Perot's statements Sunday as "throwing out all kinds of insinuation."



President Bush gesturing as he called for four more years during a campaign speech at a civic center in Albuquerque, New Mexico.

Mr. Clinton, meanwhile, had no immediate comment on the meeting with Perot electors in North Carolina. He kept to the script of his standard stump speech on economic issues as he campaigned in Georgia.

The Vietnam issue was raised in an interview with retired Admiral James B. Stockdale, Mr. Perot's vice-presidential running mate, published Tuesday in the Idaho Statesman newspaper. Admiral Stockdale, who spent seven years in captivity in Hanoi, said war protesters prolonged the war and Mr.

Clinton's participation raised questions about his qualifications to be the armed forces' commander in chief.

"That blood is on your hands, you war protesters," Admiral Stockdale was quoted as saying. He suggested that some people would

las. He said he did not personally resent Mr. Clinton's anti-war activity but added, "I just don't want him president."

Another Perot aide, Sharon Holman, revealed that Mr. Clinton and his running mate, Senator Al Gore, spoke for nearly half an hour on Monday with two Perot electors in North Carolina, a state with 14 electoral votes. She said the meeting had been arranged by a former Perot coordinator who was now backing Mr. Clinton.

Miss Holman said no one had asked the two electors to change their allegiance, and that they had not done so. But she added, "They found it surprising to have a 30-minute meeting so close to the election."

Electors are bound by tradition, but not law, to vote for the candidate who wins a state's popular vote.

Miss Holman, Mr. Perot's chief spokesman, said the questions raised by Mr. Perot about his daughter's wedding were "yesterday's story."

Questioned about Mr. Perot's temperament, Miss Holman said the anger he displayed at a news conference Monday was "normal" for an "incensed" person whose integrity was being questioned.

"We've never claimed to be slick," she said. "We never claimed to be conventional politicians."

Mr. Bush, campaigning in Des Moines, Iowa, attacked Mr. Clinton's economic plans, saying that emphasizing government control "is not the American way."

Asked about Mr. Clinton's plan to raise taxes on the wealthiest Americans, Mr. Bush scoffed: "We don't have anybody dumb enough to figure it out."

The new Congress, he said, "will roll over Clinton like a steamroller," and he added that Mr. Clinton and Mr. Gore had as much experience in foreign policy as Willie, the president's dog.

Smear Charge Is Latest in Long Line of Security Accusations

By John M. Broder

Los Angeles Times

WASHINGTON — Ross Perot first accused Republicans of trying to sabotage his candidacy through dirty tricks last spring, but his penchant for conspiracy theories and personal security goes back more than two decades.

Mr. Perot, the Texas billionaire who is running as an independent presidential candidate, believes that he and his family have been the target of murderous bands dispatched by Hanoi and American drug-dealing cartels. He contends that senior Reagan administration officials engaged in a bizarre global plot involving drugs, guns, money-laundering and covert operations on three continents. He seems to believe that the U.S. media are in league to destroy him. He has accused business competitors of trying to bug his offices and has repeatedly investigated employees and others who he was convinced were trying to steal from him.

Mr. Perot's suspicions evidently extend to electoral politics. His eruption against the Bush administration on Sunday and Monday — when he said that he had withdrawn from the presidential race in July to derail a Republican smear of his daughter — paralleled accusations he made in April. At that time, he accused the Bush campaign of planting negative stories about him. "Everything you see the Republican Party doing to me is coming straight from the top," he said then.

In response to the latest accusations, the president's spokesman, Martin Fitzwater, called Mr. Perot "paranoid."

But James D. Squires, a former Perot aide, disputes that.

"Paranoid suggests there's no basis for fear and I think he does have reason to be concerned," said Mr. Squires. The Republicans, he said, are "capable of doing anything."

In late June, Mr. Perot lashed out at President George Bush for conducting what Mr. Perot said was "a carefully orchestrated plan" to damage him by spreading false stories.

The only concrete example of Republican dirty tricks that Mr. Perot cited on that occasion was an alleged attempt to unearth his mother's will. Bush campaign officials dismissed the charge as "preposterous" and Mr. Perot never raised it again.

Then, as now, Mr. Perot refused to provide evidence to substantiate his accusations, saying only that the White House campaign to discredit him was modeled on the propaganda efforts of Hitler.

Mr. Squires said Mr. Perot was not consumed by delusions of persecution.

He added that Republicans in particular have elevated campaign dirty tricks to a high art. He cited as examples the State Department investigation of the passport files of the Democratic nominee, Bill Clinton, and of his mother, and the Pentagon's unauthorized release of Mr. Perot's navy fitness reports.

Mr. Perot's fears about his and his family's safety date back to 1969, when, he has said, North Vietnam hired members of the U.S. black radical group the Black Panthers to assassinate him for his role

in trying to improve conditions for American servicemen held by Hanoi.

Mr. Perot mentioned the supposed assassination plot during the third presidential debate, on Oct. 19, when he said that "the most significant effort they had one night is five people coming across my front yard with rifles."

Mr. Perot said earlier this year in a television interview that the Black Panther plot had been uncovered by the FBI.

But FBI officials contacted by

the Los Angeles Times this spring said that they had never heard of such an incident, and an extensive ABC News investigation could find no evidence of armed intruders at Mr. Perot's home in North Dallas.

The ABC report quoted Paul McCaughey, who directed Dallas police intelligence operations in 1969, as saying that no such attack could have taken place without law enforcement's hearing about it. "It didn't happen," he said.

Mr. Perot's penchant for security can be seen at his home, which is

surrounded by a 10-foot (3-meter) brick wall and is under constant video surveillance and 24-hour guard.

Mr. Perot has been accused of investigating his employees, business rivals and political foes, but he denies that he has done so on a large scale.

FBI Checked Allegations
The FBI set up a sting operation that involved sending an undercover agent to the office of Mr. Bush's campaign chairman in Texas this

summer in an effort to check out Mr. Perot's accusations that Republicans were spying on him. The New York Times reported from Washington, quoting administration officials.

In the course of the operation, an FBI agent offered to sell Jim Oberwetter, the Bush-Quayle campaign chairman in Dallas, an audio tape and documents from Mr. Perot's office for \$2,500 in what Mr. Oberwetter said was an FBI attempt to "entrap" him. Mr. Oberwetter said he declined the offer.

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AMERICAN TOPICS

A Toast to Red Wine By Alcohol Bureau

Wine labels that say red wine can reduce the incidence of heart disease have been approved by the U.S. Bureau of Alcohol, Tobacco and Firearms...

Scientists point out that there is no direct proof that alcohol protects people against heart disease. Researchers have yet to produce a better explanation for the lower rate among light-to-moderate drinkers...

The alcohol bureau had long adamantly refused such labels. But a bureau spokesman said, "Our research was that there is evidence that moderate consumption may have a beneficial effect."

at this research, who followed it and reviewed it? Supermarket sales of red wine have gone up since the television program was first broadcast nearly a year ago.

Short Takes

Divorcing couples in the Chicago area can choose mediation as a way to settle disputes about their children's religious education. The New York Times reports...

The new advertising campaign for Marlboro cigarettes features the great outdoors as usual, but the rugged Marlboro cowboy is nowhere in sight. Instead, the ad shows white-water rafters...



LOS ANGELES TRANSIT — Metrolink trains waiting for passengers at Union Station, downtown Los Angeles, as the region's first rail transit system in decades began service...

Jigsaw puzzles are now three-dimensional. Wrebit USA, a toy company in Carsonville, Michigan, has introduced five three-dimensional puzzles in such forms as a Victorian mansion and a Bavarian castle...

\$50 and are available at the J.C. Penney and Dayton-Hendson chains. Jeff DeLong of Unalakleet, Alaska, sent a change-of-address form to the Fulton Bank in Lancaster, Pennsylvania...

Israel Strikes Bases And Masses Tanks At Lebanon Border

By Clyde Haberman New York Times Service

JERUSALEM — With Middle East tensions running high, Israeli planes and artillery struck guerrilla targets in Lebanon on Tuesday for the second straight day...

Despite widespread concern that the latest cycle of Middle East violence could spin out of control, efforts were under way to prevent it from happening.

New Daily News Publisher Sees It as 'Window' on N.Y.

WASHINGTON — Mortimer Zuckerman, the real estate mogul and publishing baron, made his move into Manhattan media by finally gaining control of the bankrupt New York Daily News...

CANADA: With Pact's Defeat, Pressure Mounts for a Separate Quebec

(Continued from page 1) depending on the circumstances, may renew his call for a European Community-style federation of two equal nations — Quebec and the rest of Canada...

Sent Iraq 2

Hezbollah fighters responded by firing some 30 rockets into the security zone and northern Israel, killing two Lebanese and a 14-year-old Israeli boy in the northern border town of Kiryat Simona...

Announcing the easiest way to call a foreign country when you're already in one. Includes a large graphic and introductory text for Sprint Express.

Sprint Express table listing international calling rates for various countries including Argentina, Australia, Austria, Belgium, Canada, etc.

Country to Country Calling. New from Sprint Express. When you're travelling, even a telephone can seem like a foreign object. But now Sprint Express makes it easy for you to call the U.S. or practically any other country in the world.

SMOKE: Countdown Begins for a National Quarrel

(Continued from page 1) according to each company's situation. It leaves it up to managers, in conjunction with workplace doctors and workers councils or unions, to work out a plan.

The Desk Diary That Picks Up And Goes With You.

Advertisement for the Desk Diary, featuring an image of the diary and text describing its features like being portable and having a removable address book.

Order form for the Desk Diary, including fields for name, address, phone number, and payment options.

Large vertical advertisement on the right side of the page, partially cut off, with text like 'Intelligence Build Up Force' and 'Dealing with ANZC'.

U.K. Intelligence Helped Iraq Build Up Forces Before War

By Dean Baquet
New York Times Service

LONDON — As part of an intelligence-gathering effort, the British government helped Iraq build up its military forces in the years before the invasion of Kuwait in 1990 by allowing the illegal sale of arms-manufacturing equipment to Baghdad, according to evidence presented in a little-noticed trial here.

The case involves a British-based company that sold millions of dollars of machine tools to Iraq that were used to make arms.

According to British documents, two executives of the company provided British intelligence with frequent reports on the company's activities and Iraq's efforts to obtain weapons technology.

To maintain the intelligence connection, the government permitted improper sales to be made, the documents show.

The previously undisclosed British role is the clearest indication yet of Western involvement in at least indirectly supporting the development of Iraq's arsenal.

The disclosure also suggests that London was better informed about President Saddam Hussein's efforts to acquire military technology and equipment than it has ever acknowledged.

What, if anything, the Bush administration knew about these activities is not known. But British and American intelligence agencies have worked together closely over the years, routinely exchanging information.

In a case like this, former American intelligence officials said, London would probably have shared anything it learned about Iraq's acquisition of weapons and military technology, but would not necessarily have acknowledged that it was encouraging such sales in an effort to gather information.

Even the possibility that the CIA knew of the British role is most likely to fuel Democratic charges that the administration, in an effort to improve relations with Iraq, condoned the improper sale of American and other military technology to Baghdad.

Customs agents and federal investigators have complained that the administration seemed unenthusiastic about inquiries about U.S. companies that did business with Iraq.

The British Foreign Office said any comment would have to come from the Department of Trade and Industry, which approved the sales to Iraq. Stan Lewis, a spokeswoman for that agency, said, "There's no way we would comment on a trial while it is in court."

The British role involved Matrix Churchill Corp., a machine-tool manufacturer with offices in Coventry, England, and Solon, Ohio. From 1987 to 1990, Matrix Churchill, which was owned by Iraq, served as the main channel for the acquisition of military technology.

Matrix Churchill made magnets, lathe and other parts used to make rifles and other weapons. Matrix Churchill's American subsidiary also brokered deals between Iraqi and U.S. manufacturers.

During this same period, at least two high-ranking company executives reported regularly to British intelligence agencies on Iraq's efforts to obtain conventional weapons and to develop nuclear and chemical weapons, according to government documents in the trial of three former company executives.

These documents show that London approved exports of arms-manufacturing equipment by Matrix Churchill, even though it knew the company lied when it sought export licenses saying Iraq would use the equipment only for civilian purposes.

Three Matrix Churchill executives are standing trial on charges they illegally exported arms-manufacturing equipment to Iraq. The government records show that one executive, Paul Henderson, a former managing director, was among those supplying information to British intelligence.

Some Democrats in Congress have complained that while the company's operation in the United States was shut down during the Gulf War, none of its employees in the United States have ever been accused of a crime, despite a two-year investigation by the Customs Service.

And law-enforcement officials in Ohio and elsewhere have complained that some U.S. agencies have been slow to cooperate with investigations of Matrix Churchill's operations.

Mr. Henderson's defense — that the government knew everything he was doing — has given him the opportunity to obtain and make use of a remarkable number of classified documents, including notes of his interviews with British intelligence and internal memos describing the debate within the government over how to handle Matrix Churchill's applications for export licenses.

In 1987, Matrix Churchill was bought by TMG Engineering Co. of London, which was owned by Iraq. Sometime that year, Matrix Churchill's export sales manager, Mark Gutteridge, began supplying British intelligence with detailed reports about the company's growing business with Iraq. Mr. Gutteridge has not been charged with a crime.



PARIS MAYOR IN TOKYO — Prime Minister Kiichi Miyazawa of Japan, right, welcoming the mayor of Paris, former Prime Minister Jacques Chirac, on Tuesday. Mr. Chirac is in Tokyo at the head of a delegation to promote Japanese-French relations.

China Sees 'Chaos' if Patten Gets His Way

Compiled by Our Staff From Dispatches

HONG KONG — China said Tuesday that Hong Kong would slide into chaos if Governor Chris Patten carried out his plans for democratic changes in the colony.

In a blistering attack in one of Beijing's local media mouthpieces, China's senior official responsible for the colony, Lu Ping, promised to fight Mr. Patten to the end over his proposal to let Hong Kong people elect the majority of their legislature for the first time.

"Should Patten go on doing it his own way, there will certainly be big chaos in Hong Kong," the Beijing-controlled daily Wen Wei Po quoted Mr. Lu as saying.

"I can tell everybody that we are now determined to persist with Mr. Patten till the end if that's what he wants," said Mr. Lu, who is director of the Hong Kong and Macao Affairs Office. "Now the ball is in Patten's court and the rules are the Basic Law."

Mr. Lu's attack is the latest in a series that began within minutes of Mr. Patten announcing his proposals Oct. 7.

Most attacks were anonymous or attributed to junior officials. But last Friday, shortly after Mr. Patten left Beijing after his first visit as governor, Mr. Lu broke his silence by threatening to overturn the Legislative Council, the advisory cabinet and the judiciary once China takes control of the colony in 1997 if Mr. Patten refused to back down.

In another sign of Chinese displeasure, a conference here on Hong Kong's return to China in 1997 was canceled at the last minute Tuesday because of the dispute.

In response to Chinese criticism, Mr. Patten has denied encouraging social turmoil or political unrest. But in remarks some said were aimed at Mr. Lu, he said some people might be trying to do just that.

He has also consistently challenged China to put forward counterproposals rather than merely attacking his own ideas.

But Mr. Lu said: "I waited more than half a month for Patten to come without saying a word about his political speech."

"But during the six-hour meeting, I talked most of the time and Patten didn't even say a word like 'we will consider it.'"

Mr. Lu also accused Mr. Patten of breaking the Basic Law, slated to be Hong Kong's constitution after it returns to China in 1997. (Reuters, AFP)

Akihito Hopes Old Chinese Ties Bind

By David E. Sanger
New York Times Service

XIAN, China — China is a big country to survey in just six days, even if you are an emperor, travel on a personal Boeing 747 with an army of fretting chamberlains, and speed to the Great Wall with thousands of Chinese paramilitary police lining both sides of the road for 50 miles.

But the challenge is even greater for Emperor Akihito of Japan, because every stop on his itinerary must serve an unstated agenda: to set aside China's fear that Asia's other superpower still harbors a sense of cultural superiority, one that led it a generation ago to try to conquer the Middle Kingdom.

So on the first visit a Japanese emperor has ever paid to China, Akihito's handlers have taken care that every moment resonated with deep cultural significance, preferably one that will remind China of the arduous days centuries ago when Japanese envoys came here to learn at the feet of China's masters.

While his hosts pondered the roles that the likes of Toyota and Sony might play as Chinese-style capitalism begins to look more like Japanese-style capitalism, the emperor had something else in mind: the Tang Dynasty.

Spending the day inside the giant walls of Xian, the eastern end of the Silk Road, before flying to Shanghai for the last stage of his visit, the 58-year-old emperor sought out some of his roots. He visited the Shaanxi Provincial Museum to see the stone tablets where scholars and Chinese emperors had first etched the pictographic symbol for the word pronounced in Japanese as *heisei*, or achieving peace.

Three years ago, hours after the death of Hirohito, Akihito's father, "Heisei" was chosen as the name for the new imperial era.

The emperor spent a considerable time at the tablets (there are more than a thousand, bearing everything from Confucian classics to a cure for stomachache), asking detailed questions about the calligraphy.

"It is all very interesting," said a Chinese official traveling with the emperor. "So tell me, do you think this visit will increase Japanese investment in China?"

The museum is not the only place where the emperor has driven home the connections between two countries that, on the surface at least, seem among the most dissimilar in Asia. Akihito visited the Chinese Academy of Science and talked about how his eighth-century ancestor, Emperor Shun, used medicines from China. He has quoted from famous Chinese poets whose work he studied as a child.

So enamored was the emperor of finding proof of the centuries of exchanges between the countries that he skipped the one attraction virtually everyone else comes to see: The giant terracotta army, uncovered in the mid-1970s, whose thousands of soldiers and horses guard the burial mound of a Chinese emperor.

"It is something popular among the Americans and Europeans, I think," said Hideo Kagami, the emperor's spokesman. "I believe His Majesty has a stronger interest in stone tablets."

For most of the emperor's trip, his schedulers have taken care to glide past sites that millions of Chinese remember with bitterness, places such as the Marco Polo Bridge, where Japan staged an incident that prompted its full-scale invasion of China in 1937.

Emperor Sees Stronger Ties

Akihito said Tuesday that he felt satisfied his journey would help deepen relations between his country and China. The Associated Press reported from Shanghai.

"I expressed myself frankly to the Chinese people," Akihito said of a toast at the beginning of his trip last week in which he said he deplored the "great suffering" Japan inflicted on China during World War II. Those remarks, at a banquet given by President Yang Shangkun, were the strongest to date by an emperor regarding the war.

"If people deal sincerely with each other heart to heart, I believe borders can be bridged," Akihito said at a brief news conference at the state guesthouse where he was staying.

U.S. Sent Iraq 2 Military Computers

By Elaine Sciolino
New York Times Service

WASHINGTON — In September 1989, the Bush administration approved the export to Iraq of two militarily useful computers, according to U.S. government documents made public this week.

The sale was arranged by Gerald Bull, a Canadian-born ballistics expert who had been convicted of arms-export violations in 1980 and had provided Iraq with components for a "supergun," the documents show.

The documents, disclosed by Representative Henry B. Gonzalez, Democrat of Texas, offer further evidence of low gaps in the admin-

istration's export-control system, combined with a policy of offering incentives to Baghdad, allowed President Saddam Hussein to purchase U.S. equipment for his nuclear, chemical, biological and missile programs.

The export policy was so haphazard that seven months after the computer export was approved, Secretary of State James A. Baker 3d informed 11 U.S. embassies of suspicions that Mr. Bull's company, Space Research Corp., was involved in Iraq's ballistic-missile and space programs.

The September 1989 approval by the Commerce Department applied to two computers, made by Silicon Graphics of Mountain View, California, and valued at \$161,000, to be sent to the State Enterprise for Automotive Industries in Iraq.

The Commerce Department also approved the export of crucial software to Space Research, the Bull company; the software, made by Swanson Analysis Systems of Houston, Pennsylvania, would allow the computers to analyze designs of satellites, missiles and military vehicles.

Mr. Bull, a naturalized American citizen, was found dead in his apartment outside Brussels on March 22, 1990, shot in the back of the neck with a 7.65-millimeter pistol equipped with a silencer.



Hans van Oosterom, Executive Vice President Strategic Planning Akzo:

This small

"Dealing with Akzo means dealing with business units who are right in the forefront of their chosen field. So it may surprise you that we haven't the slightest inclination to become one of the world's

largest chemical companies. We much prefer to be big in the areas we choose. Yes, we make acquisitions. But never just to grow bigger. Only if it adds value to our existing operations. Yes, we penetrate

new markets. But only if we're pretty sure we can do a better job than the competition. We don't want to be the biggest. We do want to be the best. And for that, you have to create the right chemistry."

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CREATING THE RIGHT CHEMISTRY



OPINION

INTERNATIONAL
Herald Tribune
Published With The New York Times and The Washington Post

Help Russians Choose

A grim confrontation is taking shape in Moscow. It will present the American who is elected president next Tuesday with a stark reminder that what is perhaps the most urgent big-ticket item on the American foreign policy agenda—seeing Russia and the rest into a safe democratic order—is perilously unsettled.

nuclear Russia, remember—that had turned inward and bestowed new faith on its party stalwarts, bureaucrats, nationalists and soldiers. The West must make clear its judgment of which way Russia ought to go.

Perot Self-Destructs

For a smart man, Ross Perot displays an amazing instinct for political masochism. Just as his reform campaign was generating fresh momentum, he malodroitly revived fresh doubts about traits that bear directly on his fitness for office: his obsession with conspiracies, his fondness for dishing out unsubstantiated dirt and his willingness to trifle with the voters.

throw the election into the House, and that the Democrats had revitalized themselves. Flip, meet flop. No sooner did Mr. Perot accept the Bush campaign's denial than he found reason to deny his acceptance, saying that the denial had come only after he publicized the charges.

The Right to Know

The U.S. government has a legitimate interest in preserving the fairness and integrity of the defense procurement process. But in attempting to do that without very specific statutory or regulatory authority, prosecutors have acted on, and an appeals court has approved, a sweeping theory that criminalizes the receipt of government information that is neither classified nor clearly protected by any other law.

narrowly defined. All parties know what is unlawful. But that is not true of the much broader and more vague statute covering theft of government property that was the basis of this prosecution.

Other Comment

Natal Needs a Peace Mission
Like a malignant cancer, the violence in Natal threatens the whole of South Africa. Yet the politicians most directly concerned, African National Congress and Inkatha Freedom Party leaders, prefer self-righteous recrimination to decisive action to halt the killing.

attacks in which 65 IFP members and sympathizers have been murdered since August. What is required is a bold, unbegrudging act of statesmanship by Nelson Mandela and Mangosuthu Buthelezi. They must jointly—and conspicuously—tour the troubled area and preach a gospel of peace and tolerance. Nothing less will do.

Bush Fans Can Shrink The U.S. Presidency

By George F. Will

WASHINGTON—Everest has been conquered and the Amazon has been explored, so the biggest challenge remaining for intrepid people is to state reasons for re-electing George Bush. Here goes.

would have liked to have appointed, he may have been merely in his pander bear mode, genuflecting at the altar of Roy W. Williams, that inebriated neophyte to Justice Blackmun's jurisdiction. But regarding the judicial branch, where an ethic of process should prevail, Mr. Clinton seems purely result-oriented.

Like President Bush's grating, screaming, fingernails-on-the-blackboard campaign, I will spend little time being positive, relying instead on the argument that Bill Clinton would be even worse. It could well be true.

America's notorious litigiousness (more than 18,400,000 civil suits were filed in state courts in 1990, up 30 percent in just six years) is both cause and effect of the lunatic proliferation of lawyers (from 260,000 in 1960 to 760,000 today). Americans tend to turn every social dispute into an angry clash of "rights," so America is becoming an increasingly discordant arena of individuals and groups throwing elbows and shredding community feeling.

But on the positive side, pugnacity on behalf of principles is much needed concerning education and the politicizing of culture. Regarding these subjects, Mr. Bush's administration is at its best and a Clinton administration might be at its worst.

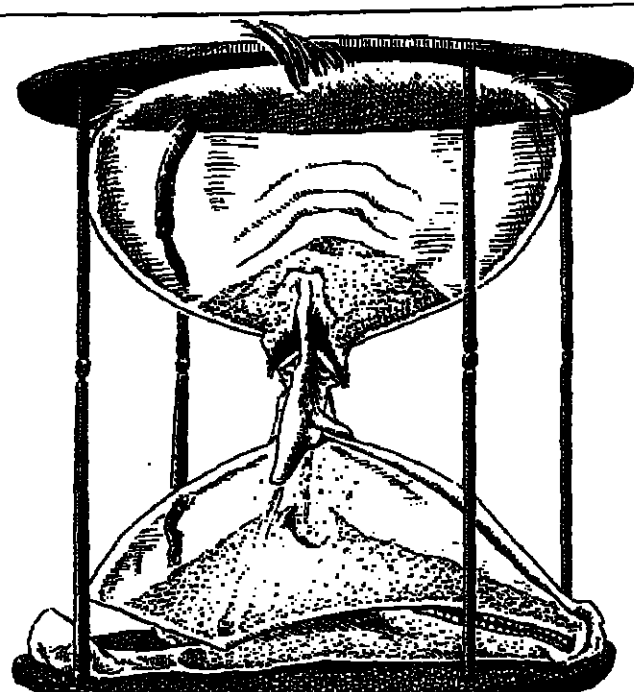
Alas, Mr. Clinton is the candidate of the trial lawyers. His party is full of believers in litigious liberalism. They prefer social change through litigation rather than legislation—or through legislation, like the Americans with Disabilities Act and the most recent Civil Rights Act, that breeds litigation.

There are 200 other reasons to re-elect Mr. Bush. That is the number of federal judges he would nominate, at his current rate, in a second term.

Furthermore, the Democratic Party is suffused with sympathy for the doctrine of group rights. That doctrine is balkanizing America into grievance groups (the phrase is Shelby Steele's) claiming victimization and elaborating agendas for racial, ethnic and sexual spoils systems.

When Mr. Clinton singled out Supreme Court Justice Harry Blackmun (the least intellectually formidable of today's nine) as a sitting justice he

because they ignore how income differences are necessary to reward activities. The attempts are short-sighted because history suggests that economic growth—which redistributions measures can inhibit—does more than redistributionist measures to narrow inequalities.



The attempts are indefensible. Or at least unadvised, because liberals like Mr. Clinton are so cocksure of their moral intuitions that they feel no need to explain exactly why society would be better off if income distribution were made more equal by government action. Liberals confuse an adjective ("fair") with an argument.

A Clinton presidency would be hypercritical. The negligible presence of the Bush presidency in American life is perhaps the best reason for preferring Bush to Clinton.

Mr. Bush is presiding—without reflection, of course—over a welcome miniaturization of the presidency. Another Bush term and that office may be back where it belongs, back where the sainted Calvin Coolidge kept it, on the periphery of national consciousness, drained of priestly pretensions about being custodian of "values." Restoration of constitutional balance and a sense of political proportion would be served by four more years of this incredible shrinking presidency.

Washington Post Writers Group.

Hurry to Put European Union Back on the Rails

By Karl Kaiser, Cesare Merlini and Dominique Moïsi

PARIS—With the coming of autumn, gloom hangs over Western Europe. There is despair, even fear. The morning-after condition that followed happy celebration of the collapse of the Berlin Wall has soured into a climate of guilt and impotence. The dead of Sarajevo haunt us. We seem paralyzed by incomprehension of the present and worries about the future.

West against the return of a savage past in the East, and to mobilize the resources of the West to slow down and reverse the degradation in the East. Beyond the crisis of the international system, there is the crisis of the state as an institution in the West. It is no longer the function of the state to protect its citizens against a well-defined single threat—the prospect of Soviet tanks rolling over Europe. The uncertainties of the present situation are multiple, diffuse. In this sense the state, too, is an orphan of the Soviet Union.

Deprived of its regal Hobbesian security mission, it seems incapable of finding solutions to the economic crisis and powerlessness to confront unemployment and monetary turmoil. The globalization of financial markets has deprived the state of its ability to control monetary flows, which can seem to obey an erratic invisible hand. And the Keynesian function of the state as regulatory force behind the economy has to be shared with the power that national governments have bestowed on the European Commission in Brussels.

More deeply, politicians and political parties are rejected because their language seems inadequate, their actions inept. They give the impression—largely exaggerated—of serving themselves before the common good.

As Eastern Europe's crises deepen, integration in Western Europe becomes more necessary.

In this uncertain context, the European Community should be the logical answer. All the reasons that more than 40 years ago justified the process of West European construction are still present—minus one, the Communist threat. In fact, Europe and its fundamental principles—tolerance, peaceful cooperation, sharing of power—are more necessary today than ever.

pace of globalization, interdependence and regional integration is accelerating. In politics, nationalist and ethnic fragmentation seems to be gaining the upper hand. The victory of liberty has paradoxically ended Europe's postwar peace.

As Eastern Europe's crises deepen and become ever more bloody, a strengthening of integration becomes necessary to withstand their potentially negative impact and to maintain the Community as a model for a peaceful handling of ethnic and state diversity and as a force of stability and assistance for the Eastern part.

With the end of the Cold War, too, civil society has returned as a major player. First came delight at the triumph of freedom and democratic principles over totalitarianism. But now, increasingly, comes frustration with a fatigued political system.

The Community is both victim and solution to these crises. To the former enemies in the East it can provide a partner, but it could also fall prey to their fractious nationalism. It can control potential internal hegemonies—German, for instance—yet it is afraid of them. It can replace

A new divide separates the two parts of Europe, which had hoped that the end of the Cold War would at last restore the old Continent's unity. The Western part enjoys unprecedented prosperity, functioning democracies and a somewhat tumultuous but ultimately effective system of conducting interstate affairs on a secure and peaceful basis. The Eastern part, with Poland and Hungary as an intermediate zone of semi-success, records into a state of growing anarchy, collapse of political authority, economic misery, and even the horrors of civil and interstate wars and re-enactment of extermination programs in the guise of "ethnic cleansing."

Europe remains split and a new challenge emerges: To protect the achievements of the

government has since introduced have brought very difficult times, with improvement a distant prospect. The reforms installed by Mr. Yeltsin and his advisers are extremely ambitious, possibly too ambitious—too influenced by academic market theory in the West, and too confident about the speed of positive change.

public mandate. There is fundamental constitutional and legal reform. A Constitutional Court exists, which is attempting to establish its authority—which Mr. Gorbachev challenges by refusing to testify in the trial of the former Communist Party for usurpation of state authority.

The running conflict between Mr. Yeltsin and Mikhail Gorbachev, which is petty and personal and has shown both ready to defy the new Russian legality, nonetheless expresses a fundamental conflict of program and perception.

There has been a proliferating growth of public associations and nongovernmental groups concerned with public affairs. Municipal governments are in place. A real private sector exists in the economy, with real enterprises managed by people who know what they are doing. This sector is small but vigorous. On the other hand, the economy today is in terrible condition and will undoubtedly get worse in the short term. Inflation is in triple digits, approaching quadruple. Trade liberality must be by barrier.

The people opposed to Mr. Yeltsin's economic reforms are members of the old party and administrative class who continue to hold major posts in Russian industry and the economy. They want slower change on grounds that existing state industry maintains jobs and production that should not be sacrificed until there is something to put in their place. They also take a conservative view of how much stress the public can be expected to bear as the price of reform.

There has been an immense— a revolutionary—bound forward since Mr. Yeltsin came to office, but the accomplishments are fragile. Russia's presidents now are popularly elected, giving them an independent

One cannot say they are automatically wrong simply because they are tainted by their pasts as party functionaries. Virtually everyone in a leading post in the former Soviet Union was a party functionary, including Boris Yeltsin. This debate is a real one over serious issues, and informed foreigners are as divided in their opinions as the Russian leadership.

There has been an immense— a revolutionary—bound forward since Mr. Yeltsin came to office, but the accomplishments are fragile. Russia's presidents now are popularly elected, giving them an independent

That has changed, and the change is of fundamental importance. The Russians have not only discovered the truth about their past and the contemporary world, but have accepted the harsh terms of accommodation to new economic realities. They have accepted the loss of job or security guarantees—after seven decades when basic income and social security were virtually all the state did provide.

They chose this course, aware of its burdens and risks, by voting in June last year to elect Boris Yeltsin president of the new Russian state. Mr. Yeltsin confirmed his authority—his legitimacy—by facing down the coup d'état attempted the following August.

The economic changes that his

leadership. The security services are headed by his supporters.

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Don't Fear Japanese Plutonium

By Hiroyuki Kishino

The writer is director of the nuclear energy division of the Japanese Foreign Ministry.

TOKYO—Given the potential risks of transporting nuclear fuel, it is natural that there is concern over Japan's shipment of plutonium. It is my duty to allay the fears of those who are unduly alarmed by incorrect accusations and incomplete reporting.

First, what is this shipment from Europe for? A ton of plutonium shipped in the form of oxide powder will be used as fuel for the Monju prototype fast breeder reactor. To secure a stable energy supply, Japan is promoting a program in which spent fuel from nuclear power plants is reprocessed and recovered plutonium is used to power breeder reactors.

With environmental concerns and limited natural resources, recycling and waste management are important. Since the development of this technology is expected to take a long time, Japan is working to accumulate expertise.

Some critics say there is no economic reason to turn to plutonium given low, stable uranium prices and an additional supply of uranium resulting from disarmament. But the 500 tons of highly enriched material expected from the dismantling of ex-Soviet weapons will satisfy world demand for nuclear fuel for only two to three years. In addition, there is no guarantee of a stable supply of low-price uranium in the long run.

Indeed, the Nuclear Energy Agency of the Organization for Economic Cooperation and Development pointed out in its 1990 report that "currently known" uranium resources would not be sufficient to sustain production capability to cover projected demand after 2025.

Unlike fossil fuel power, this nuclear recycling does not generate emissions that cause acid rain or global warming. Furthermore, reprocessing of spent fuel makes the disposal of radioactive wastes easier.

Second, some seem to fear that Japan may use the plutonium for other than peaceful purposes. Such concerns are completely unfounded. Japan strictly adheres to its three principles of not possessing, producing or allowing nuclear weapons on its territory. It is a signatory of the Nuclear Nonproliferation Treaty and has accepted International Atomic Energy Agency inspections.

What about terrorism? The transport ship will be escorted by a Maritime Safety Agency vessel. A 24-hour operation center will monitor the ship's movement. The United States government, having reviewed the plans, has no concerns.

Third, what about the safety of the voyage itself? Some countries have expressed concern about accidents. Fully sharing these concerns, the Japanese government has taken all necessary precautions. The transport vessel, remodeled especially for this mission, has safely carried more than 5,000 tons of spent fuel from Japan to Europe on more than 100 voyages. It is equipped with anti-collision radar and advanced fire-prevention and fire-fighting equipment. Even in the unlikely event of an accident, the ship's reinforced double hull will prevent it from sinking.

And if it did sink? The plutonium will be encased in casks that can resist water pressure at a depth of 10,000 meters.

Fourth, critics have said that Japan has not disclosed enough information on the shipment. But the government has responded in good faith to foreign government inquiries. The only information we have not provided, for obvious security reasons, is the transport route and schedule. Keeping this confidential is an established international norm. The ship will travel directly to Japan, keeping more than 200 miles away from land as a rule.

Japan needs the world's understanding and support. It is ready to respond to any doubts about this shipment. At the same time we expect the international community to take a balanced view in consideration of the issue from all sides.

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INTERNATIONAL HERALD TRIBUNE
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JUANITA I. CASPARI, Advertising Sales Director • ROBERT FARRÉ, Circulation Director, Europe
International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France.
Tel.: (1) 46-37-93-00. Telex: Circulation, 612832; Production, 630698.
Directeur de la Publication: Richard D. Simons
Chairman from 1958 to 1982: John Hay Whitney
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S.A. au capital de L.200.000 F. RCS Nanterre B 73202126. Commission Paritaire No. 61337
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me to Stop
Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

كذلك من الأجل

OPINION

Time to Stop Kowtowing to Perot

By A. M. Rosenthal

NEW YORK — Ross Perot finally paid off part of the debt he owes...

mate candidate, respectability and center stage. They gave him all this after he had walked out of the campaign...

ducer of "60 Minutes." Mr. Hewitt, whose journalistic jaw never bit an ankle it would let go of, pursued him for months...



When 'By Order' Says So, There Is No Talking Back

By Sunanda K. Datta-Ray

HONOLULU — A former chief of the Indian Army once said that he did not dare hang around too long in the government secretariat in New Delhi...

MEANWHILE — An awesome deity whose slightest wish is law. You have to keep your eyes peeled for these warning signs all over India...

ON MY MIND

sh campaign has neither the energy of the desire to do much more than to brush Mr. Perot's charges off, and very hard.

LETTERS TO THE EDITOR

War. If the president's point is "My country right or wrong," then wouldn't that rule out political office for all anti-Castro demonstrators in Miami, 20 years hence?

LETTERS TO THE EDITOR

nation in times of crisis, not one who obviously does not accept the moral principles behind the social contract.

LETTERS TO THE EDITOR

power in the next four years, and be president in 1997.

LETTERS TO THE EDITOR

bridges that allow arms transport to them would do it.

Protest, Politics, Principles

Early in the U.S. presidential campaign George Bush leveled at the Democratic Party, and by extension at its candidate Governor Bill Clinton, a charge of Godlessness.

Define the Objective

In response to the report "U.S. Military Chief on Bosnia: Stay Out" (Sept. 29): Since before Hannibal crossed the Alps, warriors have understood that there are principles of war — concepts to follow if you wish to survive and succeed.

Devoted to Decency

Regarding "The Spies Who Leave Me Cold" (Meanwhile, Sept. 29) by James W. Spain: The author accuses Oliver North and the late William Casey of "refusal to be restricted by human decency, common sense, or law."

Devoted to Decency

Regarding "The Spies Who Leave Me Cold" (Meanwhile, Sept. 29) by James W. Spain: The superior power and precision of America's newest weaponry was amply demonstrated in the Gulf War.

Devoted to Decency

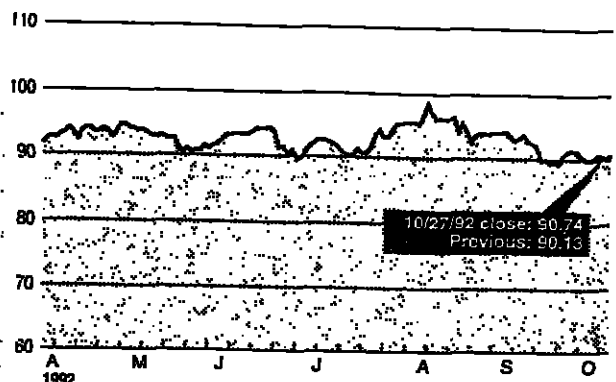
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Large table containing financial data, fund names, and prices. Includes sections for 'INTERNATIONAL FUNDS', 'Other Funds', and 'ADVERTISEMENT'.



THE TRIB INDEX: 90.74

International Herald Tribune World Stock Index composed of 230 internationally investable stocks from 20 countries, compiled by Bloomberg Business News, Jan. 1, 1992 = 100.



The index tracks U.S. dollar values of stocks in Tokyo, New York, London, and Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Italy, Netherlands, New Zealand, Norway, Singapore, Spain, Sweden and Switzerland. In the case of Tokyo, New York and London, the index is composed of the 20 top issues in terms of market capitalization. In the remaining 7 countries, the ten top stocks are tracked.

Asia/Pacific	Europe	N. America
Approx. weighting: 25%	Approx. weighting: 40%	Approx. weighting: 35%
Close: 85.39 Prev.: 81.81	Close: 92.54 Prev.: 92.34	Close: 85.66 Prev.: 85.50

Industrial Sectors	Close	Prev.	% Change
Energy	94.65	93.96	+0.73
Utilities	88.21	85.23	+1.15
Finance	83.07	81.69	+1.69
Services	96.93	96.66	+0.28

For readers desiring more information about the International Herald Tribune World Stock Index, a booklet is available free of charge by writing to Trib Index, 181 Avenue Charles de Gaulle, 92521 Neuilly Cedex, France.

MEDIA MARKETS

Advertiser Dials Up a World Without TV Commercials

By Barry James
International Herald Tribune

In the not-too-distant future, commercials may disappear from television and radio as audiences tune out seductive ads and seek product information from independent sources. That prediction, contested by many in the advertising industry, is made by James H. Snider, an expert on the impact of information technology on the consumer society. Mr. Snider says that there are already signs that power is slipping away from advertisers and retailers and toward manufacturers and consumers.

This is seen most clearly today in the computer industry, where upstart manufacturers such as Dell Manufacturing Co. and Digital Equipment Corp. sell their wares directly to the public. Mr. Snider said in an interview.

In buying relatively expensive 3D complex machines such as personal computers, customers are influenced not only by recommendations or the reputation of the manufacturers, but increasingly by the detailed information about the products carried by computer magazines, of which there are more than 400 in the United States alone. Many manufacturers run huge advertising inserts, heavy with technical aid, in contrast to IBM's "Little Tramp" commercials of the 60s, which conveyed an image but little information.

What has happened in the computer industry is a trend that Mr. Snider predicts will become dominant.

"Advertising as we know it today will become technologically obsolete," he said. "It will never completely disappear, but it will be decreasing importance in the way that consumers get information about products." In particular, he said, there will be a huge shift in "third-party information sources" accessible from home computers.

Pat Clay Timon, a regional vice president for Saatchi & Saatchi Inc. said he could not see such a situation coming to pass. "I've thought about it," he said. "And we disagree." He said the vast majority of the costs of running a TV network are borne by advertisers, he said.

If, suddenly, there were no advertisers, there would be no media.

See MEDIA, Page 13

Maker Of Drano Is Sold

\$1.2 Billion for Bristol-Myers Unit

By Erik Ipsen
International Herald Tribune

LONDON — Globalization of the banking and securities markets has seen its day, with the trend now being toward an ever greater emphasis on local markets.

That was the message conveyed by a series of speakers at the opening Tuesday of the annual conference of the International Organization of Securities Commissions, the body bringing together the financial market regulators of 59 countries around the world.

Driven by hard times and the lessons of failed expansions, several speakers insisted that the trend was now one of concentrating on national markets. Much hype to the contrary, Rolf Breuer, a board member of Deutsche Bank, said that there were only two truly global financial products that trade today with equal ease around the world — U.S. Treasury bonds and currencies.

Referring to the once popular notion of "global players," or financial institutions which expand to try and offer all products to all customers everywhere, he said that the idea had been "totally wrong" and "one of the biggest misunderstandings of recent years."

Takeshi Ohta, vice chairman of Japan's Daiwa Bank, sketched a similar tale of reduced expectations and said that the consensus in Japan now favored a retreat from "unattractive clients and markets in certain overseas markets in particular."

The Japanese are now putting their emphasis on Asian markets and returning to the "local or neighboring markets which are familiar to them," Mr. Ohta said.

Mr. Breuer of Deutsche Bank predicted that, the single market to

Global Finance Goes Local

Banking Trend Is Toward National Markets

By Erik Ipsen
International Herald Tribune

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The future is likely to be devoid of pan-European banks offering a full range of services throughout the EC.

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EC Negotiator Assails Delors On GATT Stand

By Tom Redburn
International Herald Tribune

PARIS — Jacques Delors, president of the EC Commission, came under fire from within the Community for standing in the way of a sweeping global trade agreement, as disarray in the European camp appeared Tuesday to be making it more difficult to bridge the small remaining gap with the United States over the key issue of farm subsidies.

Frans Andriessen, the European Community's chief trade negotiator, criticized Mr. Delors for his position in the trade talks, which are being conducted under the aegis of the General Agreement on Tariffs and Trade. In a rare public attack on a colleague, Mr. Andriessen appeared to be backing up statements from British officials and others who have accused Mr. Delors of acting primarily with French politics in mind rather than in the interests of the Community as a whole.

"I hope that we will be able to convince Jacques Delors that a GATT agreement also serves the interests of French farmers," Mr. Andriessen said in an interview Monday night with Dutch television, adding that Mr. Delors' position was "different from mine and from that of Ray MacSharry," the EC's chief farm official.

Mr. Delors has denied instigating a retreat in the EC negotiating stance last week when it appeared that Brussels and Washington were on the verge of an agreement. At the same time, however, he publicly

EC Negotiator Assails Delors On GATT Stand

defended French farmers and said it was important for the Community to stand up to the United States.

On Tuesday, Mr. MacSharry said that he expected to meet soon with the U.S. agriculture secretary, Edward R. Madigan, to try to complete an agreement. It was not clear, however, whether Brussels was prepared to go any further in trimming EC farm output and subsidies than the cuts in an agreement reached among its 12 members earlier this year.

Meanwhile, President George Bush, at a campaign rally in Des Moines, Iowa, warned that the United States could slap penalties on imports from the Community if the talks, which are also dealing with the related issue of EC oilseed exports, broke down.

"If they don't open up their markets," Mr. Bush said, "we are going to have to use a little softer word than 'retaliate' — we are going to have to insist on our rights."

As part of an overall agreement to expand world trade, the Bush administration has been seeking an agreement with Brussels to limit European subsidies for oilseeds, which have been declared illegal under GATT trading rules.

In a move that could set off a transatlantic trade war, Washington has threatened to impose punitive duties of as much as \$1 billion to reflect damages to U.S. soybean producers. The Community has vowed to respond with similar trade actions against U.S. goods if the United States carries out its threat.

Earlier Tuesday, Mr. MacSharry had said the Community could not make any changes in the delicate internal compromise over scaling back its costly Common Agricultural Program. Among the few remaining disputes, Washington is seeking a slightly greater cut in EC grain exports, roughly 22 percent over six years, compared with the 18 percent cutback envisioned under the European reform plan.

The British farm minister, John Gummer, who chaired a meeting of agriculture officials in Luxembourg, said the talks would resume as soon as possible.

"I have just heard that the United States wants more discussions," Mr. Gummer said. "I think it will probably be immediately."

Mr. MacSharry is expected to fly to the United States to meet with Mr. Madigan on Wednesday or Thursday.

At the same time, however, French officials stood firm against any GATT agreement with the United States before the U.S. presidential election on Tuesday. In Strasbourg, Dominique Strauss-Kahn, France's top trade minister, urged negotiators on Tuesday to temporarily set aside the farm dispute, a position that is unacceptable to the Bush administration.

Fearful of further alienating its farmers, France has repeatedly insisted that no breakthrough is possible before the U.S. election. It is a strategy apparently designed to push off any decision until after

Japan Hints at Revising U.S. Air Accord

that allows U.S. airlines to increase the frequency of transpacific flights to Japan, sources said.

By Steven Brull
International Herald Tribune

TOKYO — U.S. air carriers, whose strong position in transatlantic routes has already upset European governments, are also running into strong head winds in Asia.

Japan, opening its first civil aviation talks with the United States in three years, signaled its intention on Tuesday to revise the 1952 Japanese-U.S. bilateral air accord. Tokyo repeated its call for limits on the rights of U.S. carriers to fly beyond Japan to other points in Asia, but also surprised negotiators by seeking amendment of a clause

Japan considers the existing pact, reached under U.S. occupation in 1952, as unfair.

By Steven Brull
International Herald Tribune

TOKYO — A Japanese restaurant chain's plan to import low-cost frozen sushi from the United States has been put on hold after the chain's president suddenly quit and announced that he was forming a new company, a top chain official said Tuesday.

Jun Nakamura of Sushi Boy said the California plant that the chain's former president, Fujio Matsumoto, had said would ship 300,000 pieces of sushi to Japan in November was in "unusable condition" and incapable of mass-producing sushi.

Mr. Nakamura said Haruhiko Saito, a former Sushi Boy executive and an associate of Mr. Matsumoto, owned the plant in Escondido, California. The Kyodo News Service reported that the two had formed a new company, Rice Power, to import sushi, a slice of raw fish on top of a chunk of rice, from the plant.

Mr. Matsumoto could not be reached for comment.

His plan had attracted widespread attention in Japan because it circumvented Japan's near-total

Japanese Firm Freezes Plan to Use U.S. Sushi

By Steven Brull
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GM May Shift Production From Mexico to U.S. Plant

By Steven Brull
International Herald Tribune

LANSING, Michigan — General Motors Corp. said Tuesday that it was studying the possibility of shifting part of its Chevrolet Cavalier and Pontiac Sunbird car production from Mexico to its plant here.

The transfer will occur only if GM's Lansing Automotive Division and the United Auto Workers develop a competitive business plan. The switch would occur for the 1995-model year to fill "unanticipated demand" for the cars in the United States and Canada, said a GM spokeswoman, Linda McGill.

"Between 800 and 1,000 jobs at the Lansing plant could be preserved with the transfer," Ms. McGill said, but no new jobs are likely to be created.

The plant, which now makes the Buick Skylark, Oldsmobile Achieva and Pontiac Grand Am cars, currently employs about 7,200 hourly workers, the spokeswoman said.

The shift would bring production of about 70,000 to 100,000 Cavaliers and Sunbirds to Lansing. The plant produced 346,670 cars for the 1992-model year ended Sept. 30, she said.

The move is dependent on developing a business plan that would include a competitive labor agreement that may include new work schedules, like a three-shift operation to cut overtime expenses. Both GM and the union would have to approve the plan.

"This proposal builds on our strategy to increase the manufacturing flexibility of our platform organization within General Motors," said Tom Davis, general manager of GM's Lansing Automotive Division.

Production of Cavalier and Sunbird cars at GM's Ramos Arizpe plant would continue to serve the Mexican market. GM's Lordstown, Ohio, plant also makes Cavaliers and Sunbirds.

Torras Posts 1991 Loss of \$404 Million

By Steven Brull
International Herald Tribune

MADRID — Grupo Torrass SA, the Kuwait Investment Office's holding company in Spain, on Tuesday reported a net loss of 44 billion pesetas (\$404 million) for 1991.

But as expected, the new Torrass management team decided not to approve the accounts for 1991 as prepared by its auditor, Coopers & Lybrand. Torrass said the move was recommended by the group's advisers because of the investigation into the company's activities before the new team took over in June.

Coopers & Lybrand said Torrass's exposure to losses at Ercros SA, its 40 percent-owned chemicals group, could not be determined.

Torrass originally registered a 2.8 billion peseta profit for 1991.

The Kuwaiti government has ordered an investigation to identify those responsible for the huge losses in Spain, where "abuses have broken all limits," (Reuters, AFP)

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CURRENCY & INTEREST RATES

Oct. 27		Oct. 27	
Rate	Change	Rate	Change
1-month	3 1/2%	3 1/2%	0
3-month	3 3/4%	3 3/4%	0
6-month	3 3/4%	3 3/4%	0
1-year	3 3/4%	3 3/4%	0

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MARKET DIARY

Dollar Closes Mixed But Luster Remains

Bloomberg Business News NEW YORK — The dollar closed mixed against major currencies but weakened against the Deutsche mark as Bundesbank officials dampened expectations of a German interest rate cut this week and as the United States produced conflicting economic signals, traders said. The dollar closed Tuesday in New York at 1.5290 DM, down from 1.5315 DM at Monday's close. The U.S. unit also closed at 1.3595 Swiss francs, down from 1.3645, and at 5.1860 French francs, down from 5.1900 francs. The dollar closed at 122.20 yen, edging up from 122.00 yen, while the pound stood at \$1.5770, down nearly a cent from \$1.5840 on Monday.

"There's been a whole raft of Bundesbank members speaking this week and they're clearly trying to deflate expectations of a rapid easing," said George Magnus, economist at S.G. Warburg. The dollar gained only briefly after news that the U.S. gross domestic product grew 2.7 percent in the third quarter, a more robust rate than many analysts had forecast. The rise in GDP was offset later by an unexpected decline in the Conference Board's index of U.S. consumer confidence in October. Neil MacKinnon, chief economist at Citibank, said scope for the dollar to advance may be limited over the coming week but he remained optimistic about the dollar's longer term prospects. "I'm still a longer term dollar bull, however, and our advice would certainly be to use any opportunity," he said. "Our three-to-six-month forecast is for the dollar to rise to 1.67 marks," he said.

GROWTH: U.S. Shows Strength

(Continued from first finance page) for Mr. Bush also drained away some of the worries that inflation would return if Bill Clinton, the Democratic candidate, sweeps into office with a mandate to revive the U.S. economy with increased spending. These fears have lowered bond prices and raised the securities' yields all month. Economists had widely predicted that growth in the summer would keep rocking along at about 1.5 percent. But a number of factors bunched extra growth into the third quarter and may have stolen it from the fourth. David H. Reiser of Nomura Securities said the final two quarters of the year would probably average out at the same lackluster 1.5 percent, which is not enough to lower the number of unemployed Americans.

Examining the details of the third quarter, economists were struck by the fact that personal income rose 2.1 percent but personal consumption outpaced it, rising 3.4 percent. This meant that consumers had to dig deeply into their savings to buy the clothing, household furnishings and electronic goods that pumped up the durable-goods component of the GDP. Indeed, the savings rate dropped from 5.3 percent to 4.5 percent. "This can't continue unless employment and wages accelerate, or there is a change in consumer confidence, and none of that is happening," said Sam Kahan of J.P. Securities. Another boost to the GDP came

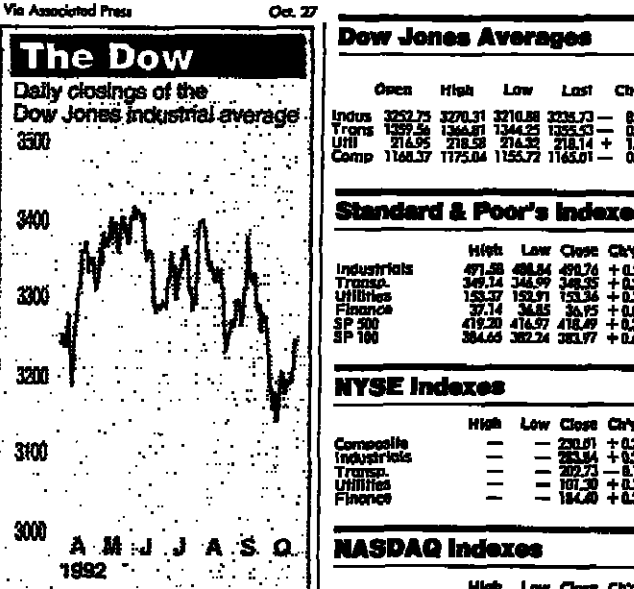


Table with columns: Vol., High, Low, Last, Chg. for NYSE Most Actives. Includes entries for RJR Nabisco, Amgen, and others.

Table with columns: Vol., High, Low, Last, Chg. for NYSE Diary. Includes entries for Advanced, Declined, and Unchanged.

Table with columns: Vol., High, Low, Last, Chg. for Amex Diary. Includes entries for Advanced, Declined, and Unchanged.

Table with columns: Vol., High, Low, Last, Chg. for NASDAQ Diary. Includes entries for Advanced, Declined, and Unchanged.

Table with columns: Vol., High, Low, Last, Chg. for NYSE Stocks. Includes entries for 1.5 percent, 2.1 percent, and 3.4 percent.

Table with columns: Vol., High, Low, Last, Chg. for U.S. Blue Chips Falter. Includes entries for U.S. stocks closed lower Tuesday.

Table with columns: Vol., High, Low, Last, Chg. for U.S. stocks closed lower Tuesday. Includes entries for Dow Jones industrial average.

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EUROPEAN FUTURES

Table with columns: Class, High, Low, Prev. Close, Change. Includes entries for Food, Metals, and Financial.

Table with columns: Class, High, Low, Prev. Close, Change. Includes entries for Metals and Financial.

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Zenith to Cut Jobs Following Loss

CHICAGO (AP) — Zenith Electronics Corp. said Tuesday it plans to reduce its salaried work force in the United States by 15 percent in an effort to cut operating expenses. Zenith has 2,600 U.S. salaried workers, meaning the proposed cuts would involve about 390 jobs. The television manufacturing company made the announcement while reporting it lost \$41.8 million, or 31.2 cents a share, in the third quarter, deeper than its loss of \$1.5 million, or 5 cents a share, last year. Third-quarter sales fell 9 percent to \$313 million from \$344 million in 1991.

RJR-Nabisco's Earnings Zoom 48%

NEW YORK (AP) — RJR Nabisco Holdings Corp. reported a 48 percent increase in third-quarter profits Tuesday, even as the company took a \$70 million charge to reduce its debt. The tobacco and food producer said its income for the quarter ended Sept. 30 was \$182 million, or 13 cents a share, compared with income a year ago of \$123 million or 7 cents a share. Company growth spurred beyond the charge because of strong sales in the international tobacco and food businesses, the company reported.

Xerox Earnings Short of Forecasts

STAMFORD, Connecticut (UPI) — Xerox Corp., in a disappointment to Wall Street, reported Tuesday third-quarter earnings of \$135 million, or \$1.18 a share, up 11 percent from earnings of \$121 million, or \$1.06 a share, in the comparable period a year ago. Revenue was up 8 percent to \$4.5 billion from \$4.3 billion. The earnings were below forecasts and Xerox stock was off \$2.50 to \$75.75 a share in mid-session trading on the New York Stock Exchange.

USX Net Tumbled 64% in Quarter

PITTSBURGH (Bloomberg) — USX Corp. said Tuesday that its third-quarter net income fell 64 percent, reflecting weaker earnings by its USX-Marathon Group oil and gas unit and a loss by its U.S. Steel Group. USX Corp.'s third-quarter net fell to \$10 million from \$28 million a year earlier. Sales fell to \$4.65 billion from \$4.77 billion. Marathon's third-quarter net income fell 26 percent to \$17 million, from \$23 million a year earlier. U.S. Steel posted a \$7 million loss.

Mesa Seeks to Restructure Its Debt

WASHINGTON (Bloomberg) — Mesa Inc. asked its bondholders Tuesday to forgo more than \$250 million in interest payments over the next three years to help the company regain access to capital markets and meet other obligations. The Dallas-based natural gas company said it would ask bondholders to exchange \$600 million of 12 percent and 13.5 percent subordinated discount notes for new debt securities that do not require interest payments until August 1996.

PepsiCo Plans 4th-Quarter Charge

WASHINGTON (Bloomberg) — PepsiCo Inc. will take a charge in the fourth quarter to cover its management reorganization plan, according to Securities and Exchange Commission documents. Last month, the soft drink giant unveiled a reorganization eliminating its four geographic divisions and consolidating its 23 operating areas into 16 business units. The Purchase, N.Y., company said in its SEC filing that it was not sure of the size of the charge because "many staffing and related relocation decisions have not yet been made."

For the Record

Grupo SIT, a Mexican telecommunications company said Tuesday it had filed suit seeking more than \$490 million from American Telephone & Telegraph Co. and Harris Corp., alleging that the U.S. companies sold it obsolete telecommunications equipment. (Bloomberg) Foreign investors made net sales of just over \$1 billion in U.S. equities in the second quarter of 1992, the Securities Industry Association said. (Reuters)

WORLD STOCK MARKETS

Table with columns: Market, Class, Prev., High, Low, Last, Chg. Includes sections for Amsterdam, Brussels, Frankfurt, London, Milan, Singapore, Stockholm, Toronto, Zurich, and others.

GATT: EC Official Assails Delors

(Continued from first finance page) said they were strongly interested in a GATT accord, they still appeared reluctant to press France to the wall to accept an agreement. In Brussels, where Mr. Andriessen said he hoped to convince Mr. Delors at a meeting of the commission that it was time to make a deal with the United States, EC officials did not discuss GATT because of what a spokesman described as scheduling problems.

U.S. FUTURES

Table with columns: Season, High, Low, Open, High, Low, Close, Chg. Includes sections for Grains, Metals, Livestock, and others.

NYSE

Table with columns: Class, Prev., High, Low, Last, Chg. Includes sections for Industrials, Financial, and others.

Handwritten text in Arabic script: "كلنا من الأهل"

EUROPE

Paribas Cuts Ciments Français Price by 500 Million Francs After Scandal

Compiled by Our Staff From Dispatches
PARIS — Paribas said Tuesday it had agreed to the sale price of its Ciments Français subsidiary...

Ciments Français found itself paying to hold the shares, whose value had shrunk. To bridge the gap left in Ciments Français' cash balance by the affair, Italcementi and Paribas said they would each lend the company 300 million francs...

U.K. Industry Outlook Gloomy

Compiled by Our Staff From Dispatches
LONDON — British industry, in the grips of the longest recession since the 1930s, is still deeply depressed about economic prospects, business leaders said on Tuesday.

EC Launches Lloyd's Inquiry

The Associated Press
BRUSSELS — The European Community said Tuesday it has launched an investigation into charges of irregularities and inadequate supervision at Lloyd's of London, the world's biggest insurance syndicate.

horizon is renewed optimism about export prospects," Mr. Lees said. Weakness in the economy was expected to revive speculation about another interest-rate cut from the present 8 percent.

Russia in Appeal on Debt Repayment

The Associated Press
MOSCOW — Russia can repay only a fraction of its billion in foreign debt that comes due in 1992 and 1993, a government official said Tuesday.

Next year, the government will be able to pay no more than \$3 billion of the \$30 billion owed, he said. Mr. Aven made his gloomy prediction hours before leaving for Wednesday's meeting of the Paris Club of creditor nations, where Russia plans to seek a two-month delay in 1992 debt payments.

MEDIA: Futurist Sees Consumers Tuning Out TV and Radio Commercials

Continued from first finance page
Mr. Snider said the consumer would not be positioned to want to pay the cost of programming, he said. "There simply no way other than advertising that the medium can be supported."

Richard Corner, executive director of the International Advertising Association, said he doubted that traditional advertising media would disappear, partly because technology promises things it cannot fulfill.

French Business Urges Shift To Anti-Recession Policy

Compiled by Our Staff From Dispatches
PARIS — French business leaders are "highly pessimistic" about the outlook during the next few months, the INSEE official statistical institute said in a monthly report published on Tuesday.

The INSEE study, carried out among 3,300 business leaders in October just after the period of turbulence on currency markets, also found that a majority also believed that the outlook for their own companies was unfavorable.

Investor's Europe

Table with columns for Frankfurt DAX, London FTSE 100 Index, Paris CAC 40, and various exchange rates and indices.

Very briefly:

- Hershey Foods Corp. accepted Philip Morris Co.'s tender offer for its 18.6 percent stake in the Scandinavian chocolate maker Frela Marsborg A/S... TI Group PLC said Tony Edwards, most recently with Lucas Industries...

Benetton to Manufacture in Mexico

The Associated Press
MILAN — Benetton SpA, the Italian clothing manufacturer and retailer, has formed a production joint venture in Mexico, it said Tuesday.

NYSE Tuesday's Closing

Table listing NYSE closing prices for various stocks, including IBM, GE, and others.

GM: A Warning Flag for Executives

(Continued from page 1)
who can be counted on to support management's wishes. Even outside directors — those who don't hold a job at the company and who in theory can be more independent than inside directors — often have been willing to bow to a chairman's desires when it came to business strategies, executive pay, and ignoring shareholder demands.

NCA FUND SICAV

2, boulevard Royal L-2952 Luxembourg R.C. Luxembourg B - 27925
Notice is hereby given to the shareholders, that the Annual General Meeting of Shareholders of NCA FUND will be held in the offices of Banque Internationale à Luxembourg, Société Anonyme, 2, bd Royal, Luxembourg, on November 5, 1992 at 3.00 p.m. with the following agenda:

The U.S. Election

World Monetary Crisis
Slaughter in Sarajevo
Mideast Peace Talks
Maastricht Ratification
Reform in China
These events affect all our lives. Shouldn't you be following them daily in the IHT?

Subscription form for The U.S. Election, World Monetary Crisis, Slaughter in Sarajevo, Mideast Peace Talks, Maastricht Ratification, Reform in China. Includes fields for name, address, and payment details.

Advertisement for NCA FUND SICAV, including details about the Annual General Meeting and subscription information.

NASDAQ

Tuesday's Prices
NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 1,000 most traded securities in terms of dollar value. It is updated twice a year.

High Low Stock Div Yld PE High Low LPA Div Yld PE

High	Low	Stock	Div	Yld	PE	High	Low	LPA	Div	Yld	PE
110 1/2	109 1/2	IBM	3.00	2.7	13	110 1/2	109 1/2	109 1/2	3.00	2.7	13
100 1/2	100 1/2	Microsoft	0.00	0.0	15	100 1/2	100 1/2	100 1/2	0.00	0.0	15
90 1/2	90 1/2	Oracle	0.00	0.0	15	90 1/2	90 1/2	90 1/2	0.00	0.0	15
80 1/2	80 1/2	Intel	0.00	0.0	15	80 1/2	80 1/2	80 1/2	0.00	0.0	15
70 1/2	70 1/2	Sun	0.00	0.0	15	70 1/2	70 1/2	70 1/2	0.00	0.0	15

High	Low	Stock	Div	Yld	PE	High	Low	LPA	Div	Yld	PE
60 1/2	60 1/2	HP	0.00	0.0	15	60 1/2	60 1/2	60 1/2	0.00	0.0	15
50 1/2	50 1/2	Compaq	0.00	0.0	15	50 1/2	50 1/2	50 1/2	0.00	0.0	15
40 1/2	40 1/2	PerkinElmer	0.00	0.0	15	40 1/2	40 1/2	40 1/2	0.00	0.0	15
30 1/2	30 1/2	3M	0.00	0.0	15	30 1/2	30 1/2	30 1/2	0.00	0.0	15
20 1/2	20 1/2	Eastman	0.00	0.0	15	20 1/2	20 1/2	20 1/2	0.00	0.0	15

High	Low	Stock	Div	Yld	PE	High	Low	LPA	Div	Yld	PE
10 1/2	10 1/2	Amgen	0.00	0.0	15	10 1/2	10 1/2	10 1/2	0.00	0.0	15
9 1/2	9 1/2	Amgen	0.00	0.0	15	9 1/2	9 1/2	9 1/2	0.00	0.0	15
8 1/2	8 1/2	Amgen	0.00	0.0	15	8 1/2	8 1/2	8 1/2	0.00	0.0	15
7 1/2	7 1/2	Amgen	0.00	0.0	15	7 1/2	7 1/2	7 1/2	0.00	0.0	15
6 1/2	6 1/2	Amgen	0.00	0.0	15	6 1/2	6 1/2	6 1/2	0.00	0.0	15

High	Low	Stock	Div	Yld	PE	High	Low	LPA	Div	Yld	PE
5 1/2	5 1/2	Amgen	0.00	0.0	15	5 1/2	5 1/2	5 1/2	0.00	0.0	15
4 1/2	4 1/2	Amgen	0.00	0.0	15	4 1/2	4 1/2	4 1/2	0.00	0.0	15
3 1/2	3 1/2	Amgen	0.00	0.0	15	3 1/2	3 1/2	3 1/2	0.00	0.0	15
2 1/2	2 1/2	Amgen	0.00	0.0	15	2 1/2	2 1/2	2 1/2	0.00	0.0	15
1 1/2	1 1/2	Amgen	0.00	0.0	15	1 1/2	1 1/2	1 1/2	0.00	0.0	15

High	Low	Stock	Div	Yld	PE	High	Low	LPA	Div	Yld	PE
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1 1/2	1 1/2	Amgen	0.00	0.0	15	1 1/2	1 1/2	1 1/2	0.00	0.0	15
1 1/2	1 1/2	Amgen	0.00	0.0	15	1 1/2	1 1/2	1 1/2	0.00	0.0	15
1 1/2	1 1/2	Amgen	0.00	0.0	15	1 1/2	1 1/2	1 1/2	0.00	0.0	15

AIRLINES: Japan Appears Ready to Revise Access Accord With U.S.
(Continued from first finance page)
percent annually until the year 2000.
Washington requested the current round of talks to discuss access for U.S. carriers into the Kansai International Airport, which is scheduled to open near Osaka in 1994. It also wants to discuss Tokyo's refusal to grant unrestricted rights to United Airlines to extend a New York-Tokyo flight to Sydney.

That flight is an example of what Tokyo sees as the treaty's unfairness, Washington believes the accord guarantees United's right to fly the route without restrictions. But Japan says the U.S.-Japan leg should be primary and that passengers embarking in Tokyo must be in the minority. "Why would anybody want to fly this way from New York to Sydney anyway?" a Japanese airline executive asked. "It's a 2,000-mile detour."
The attitudes of Japanese negotiators have hardened as the competitive challenge facing Japanese airlines has increased, a result of deregulation in the United States that fostered a group of megacarrriers. Whereas Japanese carriers

flow half of all seats from Japan to the United States 10 years ago, today their share has fallen to 31 percent. Two U.S. carriers, Northwest Airlines and United, together have more traffic in Asia than Japan Airlines, analysts said.
The problem is all the more acute for Japanese carriers facing declining profits as the recession thins the ranks of high-paying business passengers. These customers had compensated for operating costs that are 35 percent to 40 percent higher than those of U.S. carriers due to higher costs for salaries, fuel and landing rights.

"Growth in the next five years will be in Asia, and it will be by low-cost Asian carriers and U.S. airlines," said Andrew Barber, an analyst at S. G. Warburg, a Japanese airline's growth over a slim.
Asian carriers outside Japan are also beginning to complain. The Orient Airlines Association, expressed concern "over the loss of market share caused by excess capacity and frequency introduced by other airlines flying to the region."

United Airlines is planning to extend its New York-Tokyo flight to Sydney, a move that would allow it to compete more directly with Japan Airlines on the trans-Pacific route. The airline is also considering other routes to Asia, including a flight to Seoul and then to Tokyo, which would allow it to serve the Japanese market more effectively.

The Japanese government has been reluctant to grant unrestricted rights to U.S. carriers, citing concerns about the impact on its domestic airlines. However, recent negotiations have shown a willingness to revise the existing access accord, particularly regarding the Kansai International Airport and the New York-Tokyo-Sydney route.

The current round of negotiations is expected to be more productive than previous ones, as both sides have shown a willingness to compromise. The U.S. is pushing for more open access to Japanese markets, while Japan is seeking to protect its domestic carriers from excessive competition.

The final outcome of the negotiations will have significant implications for the global airline industry, particularly in the Asia-Pacific region. It will determine the extent to which U.S. carriers can compete in the Japanese market and vice versa.

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AMEX

Tuesday's Closing
Tables include the nationwide prices up to the closing on Wall Street and do not reflect late trades elsewhere. Via The Associated Press

High Low Stock Div Yld PE High Low LPA Div Yld PE

High	Low	Stock	Div	Yld	PE	High	Low	LPA	Div	Yld	PE
110 1/2	109 1/2	IBM	3.00	2.7	13	110 1/2	109 1/2	109 1/2	3.00	2.7	13
100 1/2	100 1/2	Microsoft	0.00	0.0	15	100 1/2	100 1/2	100 1/2	0.00	0.0	15
90 1/2	90 1/2	Oracle	0.00	0.0	15	90 1/2	90 1/2	90 1/2	0.00	0.0	15
80 1/2	80 1/2	Intel	0.00	0.0	15	80 1/2	80 1/2	80 1/2	0.00	0.0	15
70 1/2	70 1/2	Sun	0.00	0.0	15	70 1/2	70 1/2	70 1/2	0.00	0.0	15

High	Low	Stock	Div	Yld	PE	High	Low	LPA	Div	Yld	PE
60 1/2	60 1/2	HP	0.00	0.0	15	60 1/2	60 1/2	60 1/2	0.00	0.0	15
50 1/2	50 1/2	Compaq	0.00	0.0	15	50 1/2	50 1/2	50 1/2	0.00	0.0	15
40 1/2	40 1/2	PerkinElmer	0.00	0.0	15	40 1/2	40 1/2	40 1/2	0.00	0.0	15
30 1/2	30 1/2	3M	0.00	0.0	15	30 1/2	30 1/2	30 1/2	0.00	0.0	15
20 1/2	20 1/2	Eastman	0.00	0.0	15	20 1/2	20 1/2	20 1/2	0.00	0.0	15

High	Low	Stock	Div	Yld	PE	High	Low	LPA	Div	Yld	PE
10 1/2	10 1/2	Amgen	0.00	0.0	15	10 1/2	10 1/2	10 1/2	0.00	0.0	15
9 1/2	9 1/2	Amgen	0.00	0.0	15	9 1/2	9 1/2	9 1/2	0.00	0.0	15
8 1/2	8 1/2	Amgen	0.00	0.0	15	8 1/2	8 1/2	8 1/2	0.00	0.0	15
7 1/2	7 1/2	Amgen	0.00	0.0	15	7 1/2	7 1/2	7 1/2	0.00	0.0	15
6 1/2	6 1/2	Amgen	0.00	0.0	15	6 1/2	6 1/2	6 1/2	0.00	0.0	15

High	Low	Stock	Div	Yld	PE	High	Low	LPA	Div	Yld	PE
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3 1/2	3 1/2	Amgen	0.00	0.0	15	3 1/2	3 1/2	3 1/2	0.00	0.0	15
2 1/2	2 1/2	Amgen	0.00	0.0	15	2 1/2	2 1/2	2 1/2	0.00	0.0	15
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1 1/2	1 1/2	Amgen	0.00	0.0	15	1 1/2	1 1/2	1 1/2	0.00	0.0	15
1 1/2	1 1/2	Amgen	0.00	0.0	15	1 1/2	1 1/2	1 1/2	0.00	0.0	15
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1 1/2	1 1/2	Amgen	0.00	0.0	15	1 1/2	1 1/2	1 1/2	0.00	0.0	15
1 1/2	1 1/2	Amgen	0.00	0.0	15	1 1/2	1 1/2	1 1/2	0.00	0.0	15
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80 1/2	80 1/2	Intel	0.00	0.0	15	80 1/2	80 1/2	80 1/2	0.00	0.0	15
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40 1/2	40 1/2	PerkinElmer	0.00	0.0	15	40 1/2	40 1/2	40 1/2	0.00	0.0	15
30 1/2	30 1/2	3M	0.00	0.0	15	30 1/2	30 1/2	30 1/2	0.00	0.0	15
20 1/2	20 1/2	Eastman	0.00	0.0	15	20 1/2	20 1/2	20 1/2	0.00	0.0	15

High	Low	Stock	Div	Yld	PE	High	Low	LPA	Div	Yld	PE
10 1/2	10 1/2	Amgen	0.00	0.0	15	10 1/2	10 1/2	10 1/2	0.00	0.0	15
9 1/2	9 1/2	Amgen	0.00	0.0	15	9 1/2	9 1/2	9 1/2	0.00	0.0	15
8 1/2	8 1/2	Amgen	0.00	0.0	15	8 1/2	8 1/2	8 1/2	0.00	0.0	15
7 1/2	7 1/2	Amgen	0.00	0.0	15	7 1/2	7 1/2	7 1/2	0.00	0.0	15
6 1/2	6 1/2</										

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Japan Electronics: Lights Out Main Manufacturers Suffer Steep Profit Fall

Compiled by Our Staff From Dispatches

TOKYO—Five of Japan's most powerful high-technology companies on Tuesday announced steep profit declines in the six months to September and a sixth, Fujitsu Ltd., plunged into loss for the first time.

The aggregate drop in pretax profit for the six companies, ranging from the world's largest consumer electronics concern to the global leader in computer chips, came to 54.9 percent. In addition to Fujitsu, they are Matsushita Electric Industrial Co., Hitachi Ltd., NEC Corp., Toshiba Corp., and Mitsubishi Electric Corp.

Despite the big fall, stock investors were pleased with the result, because the drop in profits was slightly less than the 60.3 percent decline forecast by Toyo Keizai, a financial information service. The earnings reports sparked a rise in each company's share price, in turn spurring a 1.02 percent rally in the Nikkei average, which closed up 173.93 points at 17,185.26.

The six said they expected pretax profit to decline by only 5.9 percent in the second half of the business year, which ends March 31, partly as a result of cost-cutting measures they plan to take.

Fujitsu, the world's second-biggest computer maker, suffered a consolidated pretax loss of 7.5 billion yen (\$63 million), a reversal from the profit of 30.9 billion yen in the year-earlier period. Parent profit, which was all that was reported by the other five, fell 86 percent to 4.4 billion yen.

In remarks echoed by the five other companies, Fujitsu blamed "the worldwide economic slow-

down, lower margins due to intensified competition, prolonged sluggishness in the semiconductor field and the appreciation of the yen."

Fujitsu said it would shift more production offshore to counter the adverse effects of the strong yen.

The consumer electronics giant Matsushita Electric Industrial Co. said its pretax earnings were cut by 51 percent to 53.2 billion yen while revenue dropped 7 percent to 2.29 trillion yen. The maker of National and Panasonic brand products blamed lower sales, increased capital investment depreciation and the adverse impact of a stronger yen.

Matsushita will cut the salaries of its senior executives by 10 percent from now until March.

Hitachi Ltd., the big electrical machinery maker, suffered a 53 percent profit plunge to 37.5 billion yen as revenue slipped 6 percent to 1.9 billion yen.

Hitachi said it would increase the number of contracts denominated in yen to counter the effects of currency rate changes.

NEC's profit plummeted 71 percent from a year earlier to 15.1 billion yen as sales dropped 7 percent to 1.36 trillion yen. The company will reduce staff by 15 percent.

Toshiba's parent profit fell 39.9 percent from a year earlier to 23.5 billion yen. The company, which also suffered a 1.2 percent fall in sales to 1.52 billion yen, blamed "worldwide stagnation in such high-tech electronics as semiconductors, computers and audio-visual" products.

Mitsubishi Electric's profit tumbled 73.7 percent to 12.3 billion yen.

(AFP, Bloomberg)

Hutchison's Li Affirms Telecom Plan in U.K.

Compiled by Our Staff From Dispatches

HONG KONG—The chairman of the Hong Kong conglomerate Hutchison Whampoa Ltd., Li Ka-shing, denied Tuesday that his company intended to abandon controversial plans to invest in a telecommunications network in Britain.

"To further clarify the position with regard to the company's United Kingdom operations in telecommunications," Mr. Li said in a statement, "it is our firm intention to continue to support this investment."

He said the "main ongoing costs" would be in the development of Britain's nationwide personal communications network.

The statement follows appeals by the stock exchange for Hutchison Whampoa to clarify its position on the future of its British subsidiary after days of uncertainty since the company announced that it was halting overseas expansion of its telecommunications business.

A statement late last week by the Hutchison Whampoa group managing director, Simon Murray, denying that the British subsidiary would be affected, failed to dispel uncertainty.

Last weekend, Mr. Li said the group would not make any further

investments in new telecommunications businesses overseas. Instead, he said, it would concentrate on its principal and profitable telecommunications operations in Hong Kong with a view to expansion into China.

He also had said that some of the group's smaller loss-producing operations in its fringe telecommunications businesses would be closed and that there would be a critical review of the overhead structure required to run the more focused Hutchison telecommunications business.

On Monday, Hutchison fired the majority of the staff and management at the head office of its Hutchison Telecommunications subsidiary in Hong Kong.

The weekly Far Eastern Economic Review reported last week that Mr. Li had told Hutchison executives on Oct. 20 that he would either sell or close its telecommunications operations in Southeast Asia, Australia, Britain and Europe before the end of the year.

Analysts have criticized plans for Hutchison Telecom Ltd., which is 65 percent-owned by Hutchison Whampoa, to invest \$800 million (\$1.26 billion) in the British network.

Charles Cartledge, investment analyst at Crosby Research, predicted that Hutchison would fail to recoup the anticipated returns on the project and expected the company's share price to fall on Wednesday.

Mr. Li released his statement after the local market's close Tuesday. (AFP, Reuters, Bloomberg)

BAe Venture With Taipei to Be U.K.-Based

Bloomberg Business News

TAIPEI—Denny Ko, president of Taiwan Aerospace Corp., said Tuesday that the head office for the company's planned \$500 million joint venture with British Aerospace PLC was likely to be in Britain.

Mr. Ko, in an interview, said agreement was expected to be reached before the end of the year on the venture to jointly design, manufacture and market regional aircraft.

Under the agreement, BAe would spin off its regional aircraft business into a new company, 50 percent of which would be purchased by Taiwan Aerospace for between \$200 million and \$250 million.

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Mr. Li released his statement after the local market's close Tuesday. (AFP, Reuters, Bloomberg)

Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225
6500	1600	22500
6000	1500	20000
5500	1400	17500
5000	1300	15000
4500	1200	12500

Exchange Index	Tuesday Close	Prev. Close	% Change
Hong Kong Hang Seng	6,218.01	1,366.47	+1.79
Singapore Straits Times	1,390.91	1,450.70	-0.97
Sydney All Ordinaries	1,436.80	1,450.70	-0.97
Tokyo Nikkei 225	17,185.26	17,011.33	+1.02
Kuala Lumpur Composite	633.32	630.07	+0.52
Bangkok SET	908.46	913.88	-0.58
Seoul Composite Stock	584.10	582.74	+0.23
Taipei Weighted Price	3,647.97	3,662.80	-0.40
Manila Composite	1,322.14	1,321.41	+0.06
Jakarta Stock Index	308.25	308.39	-0.05
New Zealand NZSE-40	1,383.44	1,385.91	-0.18
Bombay National Index	1,314.70	1,344.50	-2.22

Sources: Reuters, AFP
Continued on Herald Tribune

Hata Insists Taxpayers Won't Bail Out Banks

Bloomberg Business News

TOKYO—Finance Minister Tsutomu Hata said Tuesday that public money will not be used to bail out troubled banks.

But analysts said the size of the bank's problems makes it likely that sooner or later the government will have to put up taxpayer money.

Unlike the Resolution Trust Corp. in the United States, which is using public money to bail out firms, Japan's banks will themselves have to put

up the money to dispose of unwanted real estate, Japanese bankers and government officials say.

"Japanese financial institutions should overcome the bad debt situation on their own," Mr. Hata said at a news conference.

After months of discussion, government and banking industry officials say they are nearly ready to unveil the framework of the institution, which will relieve banks of at least part of a mountain of nonperforming real estate assets.

Government officials insist that public funds will not be used to rescue private lending institutions. Industry analysts warn, however, that

U.S. Election Adds To Tokyo Hotel Slump

Reuters

TOKYO—Tokyo's luxury hotels, already suffering from a domestic economic slowdown, are being further hurt by the effects of an election year in the United States, hotel officials and industry analysts said Tuesday.

"Political and economic changes are not notable in a U.S. election year, causing a drop in guests from that country," said Yoshio Owaki, public relations manager at Imperial Hotel Ltd.

The Imperial Hotel, where American guests make up about a fifth of the total, suffered a 23 percent drop in Americans in September compared to September 1991.

The Hotel Okura, where Americans account for 30 percent to 35 percent of the occupants, was hit by a 21.4 percent decline in U.S. guests in the same period, said Kenichi Suwa, Okura's public relations manager.

According to the industrial daily Nikkei Sangyo Shimbun, the average occupancy rate at Tokyo's 18 major hotels was 69.8 percent in September, down 14.5 percentage points from the previous year. It was the 10th consecutive month of decline.

Hotel profits are already suffering from the bursting of the late 1980s "bubble economy" of inflated stock and property prices and a newly introduced land tax.

"Corporate demand has dropped and consumers have become more sensitive to price," said Makiko Yamaguchi, analyst at the Wako Research Institute of Economics.

■ **Hotel Operator Denies Report of Falsified Profits**

The Tokyo hotel operator Gajoen Kanko denied a newspaper report on Tuesday that said the company may have falsified its financial statements for the year ended in February 1992, Bloomberg Business News reported.

Speaking at a press conference at the Tokyo Stock Exchange, Gajoen Kanko's president, Toshihisa Kono, said the company's auditor was misquoted in a report published in the Nihon Keizai newspaper, Japan's leading financial daily.

Why Mazda Decided to Apply the Brakes

**By Andrew Pollack
New York Times Service**

TOKYO—The decision this week by Mazda Motor Corp. to sharply scale back its efforts to enter the luxury automobile market is one of the most significant yet in a retrenchment by Japan's automobile companies, which are struggling to cut costs because of weak vehicle sales at home and abroad.

Losses or sagging profits have caused some companies to delay new-model introductions and to curtail the varieties in their product lines.

Mazda is "kind of pulling in its horns for a while," said Ben Moyer, automobile analyst at Merrill Lynch Japan. "They've extended themselves too far."

Mazda has been criticized by analysts for going to do too much. In an effort to keep up with Toyota and Nissan, its larger competitors, it has vastly increased its number of models in the last few years. It has also set up five separate distribution channels in Japan.

Mazda said Monday that it would abandon plans to set up a separate dealer network in the United States and Canada to sell new high-end vehicles. It also said it would stop work on one of the two luxury cars it has been developing for sale in North America.

Mr. Moyer said: "The expense of setting up a new distribution channel at this time will be too burdensome for them."

The Hiroshima-based company had hoped its new Amati brand would take its place alongside Toyota's Lexus, Nissan's Infiniti and Honda's Acura, the three Japanese luxury nameplates that have been gaining in a market segment long associated with European names like Mercedes Benz and BMW.

Mazda, which announced the formation of its new Amati nameplate in August 1991, had already recruited 67 dealers in the United States and 15 in Canada to sell the cars, which had been expected to reach the market in the spring of 1994.

After a 65 percent drop in profit in the last business year, Mr. Moyer projects that Mazda, on a consolidated basis, will post a net loss of 3 billion yen (\$25 million) in the financial year that ends in March.

Another reason Mazda cited for its decision is that the luxury car market in the United States is weaker than expected. In addition, the yen's strength against the dollar makes it harder for Japanese products to compete in the United States.

The company did not say how much it ex-

Competition Cuts Into SIA Profit

Compiled by Our Staff From Dispatches

SINGAPORE—Singapore Airlines said Tuesday that intense competition had cut group profit by 22 percent in its first half.

SIA, the most profitable airline until overtaken last year by British Airways, said its performance was also hurt by the weak world economy and the strength of the Singapore dollar.

Pretax profit for the six months ended Sept. 30 totaled \$313 million, down from \$399 million in the year-earlier half.

SIA's stock climbed despite the weaker results, in a rising market. The shares ended up 10 cents at 13.10 dollars (\$8.09). The Straits Times industrials rose 24.44 points, to 1,390.91.

(AFP, Bloomberg)

■ **Western Mining Corp. of Australia's nickel output in the quarter ended Sept. 30 rose 32 percent from the previous quarter to 12,640 metric tons.**

■ **Singapore Computer Systems Ltd. launched a joint venture with Tandem Computers Inc. of the United States to provide project management and consulting services for Tandem computers in Asia.**

(AFP, Bloomberg, Reuters)

New Commercial Proposal for Subic

Agence France-Press

MANILA—A U.S. development and management firm sought Philippine government permission on Tuesday to build a commercial and industrial complex on a peninsula facing the Subic Bay Naval Base.

Corporation for Development & Commerce said it would need between \$5 billion and \$6 billion over a 10-year period to develop light and heavy industry as well as a financial district and possibly an international airport. The property would have to be leased because the constitution bans foreigners from owning land.

FREE INFORMATION FROM INTERNATIONAL INVESTOR XXVI

Herald Tribune

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CarnaudMetalbox

(CMB Packaging)

With 1991 turnover of FRF 25.5 billion, CMB Packaging employs more than 31,000 at 150 factories in 30 countries. CMB Packaging is Europe's leading packaging manufacturer and one of the world's largest companies engaged exclusively in packaging. In order to optimize its strong reputation among its clients, shareholders and partners, who indeed, even after the 1989 merger, still refer to the original Carnaud and Metalbox names, the company will change name. This change, proposed by B. Jørgen Hintz, President of the Directorate, was approved by the shareholders at the Annual General Meeting on 20 May 1992. CMB Packaging is now named CarnaudMetalbox.

ESPIRITO SANTO FINANCIAL HOLDING

ESFH is a holding company whose subsidiaries and affiliates undertake international banking and financial activities in Western Europe, USA and Brazil. ESFH has a majority controlling interest in Banco Espírito Santo e Comercial de Lisboa, a leading Portuguese commercial bank, and in Companhia de Seguros Tranquilidade, a major Portuguese insurance company.

ESFH is quoted in the London and in the Luxembourg stock exchanges. The consolidated earnings of ESFH reached in 1991 a consolidated net profit of US\$35.8 million.

ESFH is indirectly majority owned by members of the Espírito Santo family, which has been engaged in the banking and insurance business for over a century.

ING GROUP

The results of Internationale Nederlanden Group for the first half year of 1992 showed a satisfactory increase. Compared with the first half year of 1991 net profit rose by 7.2% from NLG 707 million to NLG 758 million. Profit per share went up by 5.7% to NLG 3.16.

Total assets increased by 5.0% to NLG 312.7 billion. A reasonable growth in business volume and a net profit which will at least equal the 1991 results is expected for the whole of 1992.

THOMSON-CSF

Thomson-CSF, a European company with substantial international operations, is one of the world leaders in the design, production and distribution of advanced electronic systems for defense and other civilian applications, such as air traffic control, commercial aircraft simulators, components and information systems. In 1991, Thomson-CSF's consolidated revenues totalled 35.2 billion FF, of which more than 60% were generated outside France.

ZURICH INSURANCE GROUP

Zurich Insurance Group operates in 40 countries through branch offices, subsidiaries and affiliated companies. To complete its international service network, Zurich has made arrangements with cooperative partners in more than 40 additional countries. Thus the group is able to offer worldwide coordinated insurance protection and local, on-the-spot claims service—no matter where losses occur. In 1991 the consolidated companies of the Zurich Insurance Group achieved a gross premium income of Sfr. 19.6 billion.

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SPORTS BASEBALL

Toronto a Stranger to Baseball? Not Even When Ruth Played There

By Dave Anderson

NEW YORK Times Service TORONTO — Babe Ruth hit his first salu-

"This is OUR game!" As if ordering the Braves

Dick Williams managed two Governors Cup

That nickname was so natural, so perfect that

As far back as 1859, only 20 years after

When a National League franchise didn't

catcher, Elston Howard, to the Toronto team.

He would be voted the IL's most valuable

"That sign," he once said, "kept my father

By that time, Jack Kent Cooke, now the

Through the years, 12 members of baseball's

When not phoning his managers in the dug-

St. Louis Browns, the Philadelphia A's and

In 1976, a Toronto group had an "agreement

No other major league team has ever attract-

ed 4 million fans, but the Blue Jays have done it

In All-Star Team for Years to Come

By Murray Chass

NEW YORK Times Service EW YORK — Here's a post-

or the most part they have not more than three years

heffield, who nearly pulled out Triple Crown in the National

The outfield has Juan Gonzalez Texas in left, Ray Lankford

The No. 1 relief pitcher on the

There is such a corps of starting

like Mussina of Baltimore, Juan

In fact, 12 of the 17 players are

heffield, at 23, was one of only

Beauregard, whom the Padres sent to

in 100 runs or more. Thomas led

All of these all-stars hit 20 or

Walker, 25, is another who has

Thomas, in his first full season

On the pitching side, Navarro is

The other four starters had

Wetzeland, in his first shot at a

Olin, just turned 27, established

heffield, at 23, was one of only

The Countdown Starts in Texas

Kevin Kennedy, who has never

No. 44 from the Texas

with it the challenge of

12 managers ahead of him

Montreal Expos, was given

to win the American

to win next year."



By CBS/Photo

Jays Didn't Stand Pat, So They're Standing Tall

By Claire Smith

NEW YORK Times Service

TORONTO — The nickname seemed

Pat Gillick, the general manager

Gillick shed the nickname several

The turning point took place on a

Toronto sent away Fred McGriff, a

Those two, in their first season

The moves Gillick had made since

Said veteran reliever Duane Ward,

Said Gillick, the 55-year-old architect

"Let me say this: People always

Gillick did send messages, labeled

Said Morris: "I think it's about

SCOREBOARD

HOCKEY

Table with columns: Conference, Team, W, L, T, Pts, GF, GA

FOOTBALL

NFL Standings

Table with columns: Conference, Team, W, L, T, Pts, PF, PA

WBC Deadline Further Muddies

Unclear Heavyweight Title Picture

LONDON — The World Boxing Council

SIDELINES

Gartner in 9th Place in NHL Goals

NEW YORK (AP) — Mike Gartner

Jordan Says Small Bets Are Better

CHICAGO (AP) — Michael Jordan

BASEBALL

Player Lists

Table with columns: Team, Player, Position, Stats

ESCORTS & GUIDES

Table with columns: Agency, Location, Services

ESCORTS & GUIDES

Table with columns: Agency, Location, Services

ESCORTS & GUIDES

Table with columns: Agency, Location, Services

ESCORTS & GUIDES

Table with columns: Agency, Location, Services

ESCORTS & GUIDES

Table with columns: Agency, Location, Services

Winfield Becomes Free Agent With Bonds, 26 Others

The Associated Press

NEW YORK — Barry Bonds

Greg Maddux, Doug Drabek

Just 90 minutes after a triumphant

The Blue Jays want their players

Winfield, following a 26-homer, 108-RBI

The Blue Jays decided to pay

Winfield, following a 26-homer, 108-RBI

Winfield, following a 26-homer, 108-RBI

Winfield, following a 26-homer, 108-RBI

Winfield, following a 26-homer, 108-RBI

Winfield, following a 26-homer, 108-RBI

Winfield, following a 26-homer, 108-RBI

Winfield, following a 26-homer, 108-RBI

Winfield, following a 26-homer, 108-RBI

Winfield, following a 26-homer, 108-RBI

Gilbert said he didn't envision

"Barry put his house up for sale.

Sierra may wind up re-signing

Several teams didn't wait until

The Mets obtain right-handed

Padres began the salary dumping

The Mets obtain right-handed

The Mets obtain right-handed

The Mets obtain right-handed

The Mets obtain right-handed

The Mets obtain right-handed

The Mets obtain right-handed

The Mets obtain right-handed

The Mets obtain right-handed

Multiple restaurant advertisements including Copenhagen, Paris 17th, DA MEO PATACCA, YUGARAJ, THOUMLUX, and LA TAVERNE KRONENBURG.

OBSERVER

Saving Us From Smut

By Russell Baker
NEW YORK — There's a new book out taking the hide off Hollywood. Sex and violence are saturating screens, video as well as silver. You know it. I know it. We all hate it.

But we can't escape, can we? And do you know who's to blame? Hollywood. The cultural elite. These filthy swine.

Hear a personal tale that speaks of the degradation to which I have been brought by these mongers of sex and violence?

It was a glorious October day. "Let us," said my wife, "take a drive through Vermont and Canada to see the autumn-tinted foliage."

"Let us not," I explained, reminding her that we had taken that tour 15 years ago and sworn never again to look at another dying leaf. "Let's go instead to the movies."

I yearned to see an Andy Hardy film. I hoped it would be the one in which Mother Hardy was near death and Andy knelt and prayed. When MGM first shot that scene Andy stood and prayed, but when Louis B. Mayer saw the rushes he was outraged.

When Andy Hardy prays, he gets down on his knees, Louis B. Mayer declared. He was right, for Mother Hardy pulled through to make another Andy Hardy film. I was tempted to tell my wife, but did not.

Why? I remembered her pleased laughter during "A League of Their Own" — laughter produced by a scene lionizing a drunken baseball manager. I feared her sensibility had been so damaged by the cultural elite that she could no longer be touched by Mother Hardy's brush with death.

We got to the movie center. No Andy Hardy, naturally. Not even a Schwarzenegger, with Arnold blowing away cops by the dozen, the kind of movie I love, which I admit only to illustrate how Hollywood has debased a once fine character.

My wife suggested we see "A River Runs Through It." I agreed since the advertising indicated it was practically smut-free. The man ahead of us asked for tickets to "Glengarry Glen Ross," and I heard the cashier say, "I'm instructed by the management to tell

you it has a lot of very bad language and some of our customers have complained."

He took the tickets anyhow, and when the cashier said, "Next," I said, "Two for 'Glengarry Glen Ross.'" When it ended I was overwhelmed with outrage at the realization that millions of Americans — almost all of them far less resistant to corruption than I — were being exposed to movies like this.

Do you wonder then why I left my suburban home and raced immediately to New York upon hearing that Madonna was about to unleash a publication titled "Sex" on that poor wretched city?

"Why the rush to get to New York?" my wife asked. "If I get there in time to buy up the entire press run of 'Sex,' maybe New York can be saved from the cultural elite's coup de grace," I explained.

"Sex," alas, was already on the market when I reached Gotham. Anyhow, at \$49.95 a copy, buying every copy would have exhausted my fortune.

As chance would have it, before leaving home I had gone to the bank and withdrawn a single \$50 bill. You never know what costly emergency may arise on a visit to New York. Now, I realized, that \$50 bill gave me the power to take at least one vile book out of circulation, thus perhaps saving some innocent youth from the cultural elite.

Yes, friends, good people can win a small victory now and then. Or so it seemed as I headed for the bookshop clutching the \$50.

Too late. The last "Sex" had been sold hours ago. The store had been beset by hordes of good, unsuspecting New Yorkers, salt-of-the-earth New Yorkers, but easy pickings for the cultural-elite vultures determined to poison the typical New York home.

I could have wept in frustration about having arrived too late to help. But perhaps, I suggested to the clerk, perhaps the store had its own copy of "Sex" back in the office. If I could just be permitted to peruse it, what a warning I might be inspired to preach through the streets of Gotham.

They asked me to leave quietly.

New York Times Service

Beyond the New Wave, The Past Pursues Godard

By Alan Riding

ROLLE, Switzerland — Listening to Jean-Luc Godard is much like watching his films — jump-cut, non sequiturs, ample philosophizing, occasional intimacies, the odd obsession and no obvious narrative.

Questions prompt responses, but not necessarily answers. Words flow freely, but their meaning is often obscure. And, as with many of his films, the end can be at the beginning, and the middle may be at the end.

Yes, eventually, a conversation with the 61-year-old director does show something of the complex and solitary figure who for the past 30 years has carried the burden of one of the most famous names in modern cinema. Not that he shows much interest in discussing the content or even the message of his 65-plus movies, documentaries and videos. It's just that he likes talking. At times, he could be thinking aloud.

Today, in a sense, he lives with two Godards — the Godard who, in 1959 at the age of 29, made "Breathless," a film that immediately turned him into a cult figure and placed him alongside Eric Rohmer, François Truffaut and Jacques Rivette in the New Wave of French directors; and the Godard who continues to make films, but ones that now draw only tiny audiences. He would like the second Godard to win recognition, but it is the first who still pursues him.

Indeed, it is thanks to his earlier fame that his more recent work can be seen at the Museum of Modern Art in New York, beginning on Friday. "After my first film, I never had another success," he said. "I was too corrupted by being Godard myself."

In reality, several 1960s movies — "My Life to Live," "Contempt," "Alphaville," "Pierrot le Fou" and "Week-end" among them — were well received and to this day are studied by young filmmakers for whom a "Godard period" is still part of growing up. But they were made 25 years ago. And in Paris.

For the past 15 years, Godard has lived in Rolle, a little town on the banks of Lake Geneva. He was born in Paris, but he completed his education and made his name in Paris. It seemed natural to return to Switzerland. He set up a video studio here and cut himself off from the world of politics and producers. He recovered control over his day. He enjoyed the chance to swim in the lake, to walk in the hills, to play tennis. He left the other Godard in Paris.

These days he seems quite used to living on the periphery, both physically and artistically. He sounded surprised to be sought out. Why, he wondered, should the Museum of Modern Art be showing a selection of 30 of his films and videos in a special festival? "MOMA sounds like mummy in French," he said. "Museums have the effect of mummifying people. But America is the land of the comeback. It's better to die and make a comeback."

Godard does not smile much, but this idea tickled him. He talked at length about reality — or rather, existence — so mummification in the name of art fit in.

"I am always astonished to find people before me who believe they are real," he said. "You see it in planes. In first class, you have African ministers and old princesses; they don't look happy. In tourist class, you have people with problems, little money, big bags. But in business class, they're happy. They chat gaily. They really think they exist."

Godard himself seemed to slide away from reality when, after participating in the anti-government movement in Paris in 1968, he became hypnotized by Maoism and snuffed at making anything remotely commercial.

"See You at Mao" and "Wind From the East," both from 1969, were among the results. Was he truly a Maoist? "I was too young," he recalled. "I developed slowly. I had my youth very late. I discovered revolution, social questions, after everyone else. Perhaps that's why in my films, I put the end at the beginning, or whatever. I haven't had a regular life. I loved Mao as I loved Goethe. It was political romanticism."

In 1974, he began making experimental videos, which were seen by almost no one, although two chapters of his "History of Cinema" have been shown on French television. In 1979, he returned to feature films with "Every Man for Himself." And in 1984, he won headlines — if not praise — with "Hail Mary," a modern-day account of the virgin birth that deeply upset the Vatican. After that came "Detective," "King Lear" and "Nouvelle Vague"; and now he is editing a film called "Alas for Me," starring Gérard Depardieu, due for release in the spring.

The films, then, keep coming, occasionally lauded, rarely widely viewed. Yet Godard is now happier with the results. "When I made 'Breathless,' I was a child in movies," he said. "Now I am becoming an adult. I feel I can be better. I think that artists, as they grow older, discover what they can do. Now I decide I will make this movie, not that one. I speak of this, but not that. I know I have the capacity, but then I'm not sure. It's as if Einstein discovered relatively at the age of 60 and then said, 'Oh, I'm too old to explain it.' I have that feeling."

So far, so good — but then Godard starts jump-cutting. "Men are not real. Women are real because they produce children. Men who can't have children are jealous and avenge themselves by making things like politics, war, social systems." Cut.

"I believe I come from elsewhere. Let's say, space," he picked up again. "I have a need to go to Earth. There's something of mine. There's an image I have to uncover, and cinema allows me to do so. Movies are like clouds that sit over reality; if I do cinema well, I can uncover what is beneath my friends, my allies, what I am, where I come from. Others can't do it. It's too heavy for them. But it's not too heavy for me, because I come from elsewhere."

He spoke quickly and then stopped. "There you are. I've said everything." Cut to black screen. Does he mind that his films often seem like puzzles? "If they're difficult to understand," he said, "it is because they're not well made or, rather, not well made enough relative to their complexity or ambition. Sometimes I



Jean-Luc Godard is used to living on the periphery.

think I'm more like a painter, even if the film is not understandable, I am choosing the visual. Sometimes there are paintings to be understood, and there are paintings not to be understood.

He relit his cigar. "Look, if you have a Davidoff cigar, you can't pretend everyone has to smoke it. America invented the idea that a movie has to be seen by a lot of people."

America is one of his obsessions. He waxed poetic about John Ford and pious scorn on Steven Spielberg. Godard takes it personally that John Cassavetes and Orson Welles never given their due in the United States, and he resents that Europe is "prostrate" before American popular culture.

He plans to be in New York for the opening of the retrospective. But he describes the trip as his "final adieu" to the United States.

"I used to go more often," he said. "For a long time, I tried to make a film in the United States but never succeeded. I'd meet people, and they'd say, 'Very honored,' and shake my hand; that's all. So I'd say, 'If that's true, at least give me \$10.' The only one who did was Mel Brooks. 'Oh, yes,' he said, and gave me \$10." Godard had told the story before, but he laughed at the retelling. "Look, movies don't have to be expensive," he went on. "It's like life. I live the day that I can afford with the money in my pocket. It's the same with films. I make a budget. After that, I draw up a screenplay that does not exceed the budget. I don't write in things that are impossible. But with the Americans, it's totally different. They only accept art in museums. They accept great men once they're dead. The rest is money. In America, a good film is one that works. In Europe, a good film is a good film."

PEOPLE

In Japan's Pop Culture, A Marriage of Idols

Japan's best loved sports hero has announced plans to marry the nation's premier sex symbol. The news of the romance between Takahashida, a boy-wonder sumo wrestler, and Rie Miyazawa, a wildly popular television actress whose collection of nude photos sold more than a million copies, sent their thousands of fans, and the media, into giddy excitement. Even Prime Minister Kiichi Miyazawa, no relation to the actress, was caught up and promised to send the couple a congratulatory telegram. Takahashida, who at 20 has become Japan's top male idol, said no date had been set for the wedding. "What I felt most of all is that she is living her heart out in the entertainment world — that's what attracted me," Takahashida said.

Senator Sam Nunn says those tabloid stories are true — he is a space alien. "I confess," the Georgia Democrat said. "It's amazing I've been able to keep it a secret for 54 years." Place of birth, he revealed: Krypton. He had no comment on the origins of four other senators — Orrin Hatch, Nancy Kassebaum, Alan Simpson and John Glenn — whom the Weekly World News reported to be aliens.

Crown Prince Willem Alexander of the Netherlands has been jogging in the North Sea coastal dunes to prepare for the New York marathon. Although the prince, the 25-year-old son of Queen Beatrix, has never run a marathon before, he did skate one, in 1986; the Elfstedentocht, or Eleven Cities Tour, a race of nearly 200 kilometers (125 miles) along frozen canals.

Prince Charles and Diana, Princess of Wales, plan to make their first official visit to South Korea by members of British monarchy. The Seoul government said they would spend four days in the country next week at the invitation of President Roh Tae Woo.

International Classified Appears on Page 8

WEATHER

Table with weather forecasts for Europe, North America, Middle East, and Oceania. Columns include location, today's high/low, and tomorrow's high/low.

FORECAST FOR THURSDAY THROUGH SATURDAY



ASIA

Table with weather forecasts for various Asian cities including Bangkok, Hong Kong, Seoul, etc.

AFRICA

Table with weather forecasts for various African cities including Agadez, Cape Town, Casablanca, etc.

CROSSWORD

Crossword puzzle grid with clues for Across and Down. Includes a solution for the puzzle of Oct. 27.

BEST SELLERS

Table listing best-selling books in fiction and nonfiction categories, including titles like 'The Tale of the Body Thief' and 'The Way Things Ought to Be'.

GENIUS: The Life and Science of Richard Feynman

By James Gleick. 532 pages. \$27.50. Pantheon. Reviewed by Christopher Lehmann-Haupt. LATE in his life, the physicist Richard Feynman (1918-1988) told a prospective biographer of his fear that he would be portrayed either as a bloodless intellectual or a bongo-playing clown.

In "Genius: The Life and Science of Richard Feynman," James Gleick elaborates on both of these extremes. On one side, he shows us the Feynman who won the 1965 Nobel Prize in Physics for his elucidation of the behavior of elementary particles in quantum electrodynamics.

BOOKS

and on the other side he reveals the Feynman who taught himself to open safes and to pick locks during his spare time in Los Alamos, New Mexico, while leading the computation team on the Manhattan Project. We see the Feynman who taught himself how to sustain a two-handed polyrhythm on the bongo drums "of not just the usual 3 against 2 and 4 against 3," Gleick writes, "but — astonishing to classically trained musicians — 7 against 6 and 13 against 12."

And we see the Feynman who "took the half-made conceptions of waves and particles in the 1940s and shaped them into tools that ordinary physicists could use and understand." But what makes "Genius" so mesmerizing is that Gleick consistently demonstrates the connection between his subject's extremes.

GENIUS: The Life and Science of Richard Feynman

This link was Feynman's highly practical approach to physics. Such an outlook may have had its origins in Feynman's boyhood fear of being thought a "sissy" for his braininess. In defense, he insisted that mathematics had to be useful. But in his maturity, this practical bent paid off profusely.

What eventually caused Feynman to speculate that electrons could travel backward in time was an experiment he devised to learn if the action of a lawn sprinkler could be reversed.

GENIUS: The Life and Science of Richard Feynman

When Feynman, dying of cancer, was sent an advance copy of the Los Angeles Times's obituary, he thanked the author but declined to read it because to do so "ahead of time" would take "the element of surprise out of it." He would be surprised by "Genius" and very pleasantly so. It shows him as both an intellectual and a bongo player. And infinitely more.

Christopher Lehmann-Haupt is on the staff of The New York Times.

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